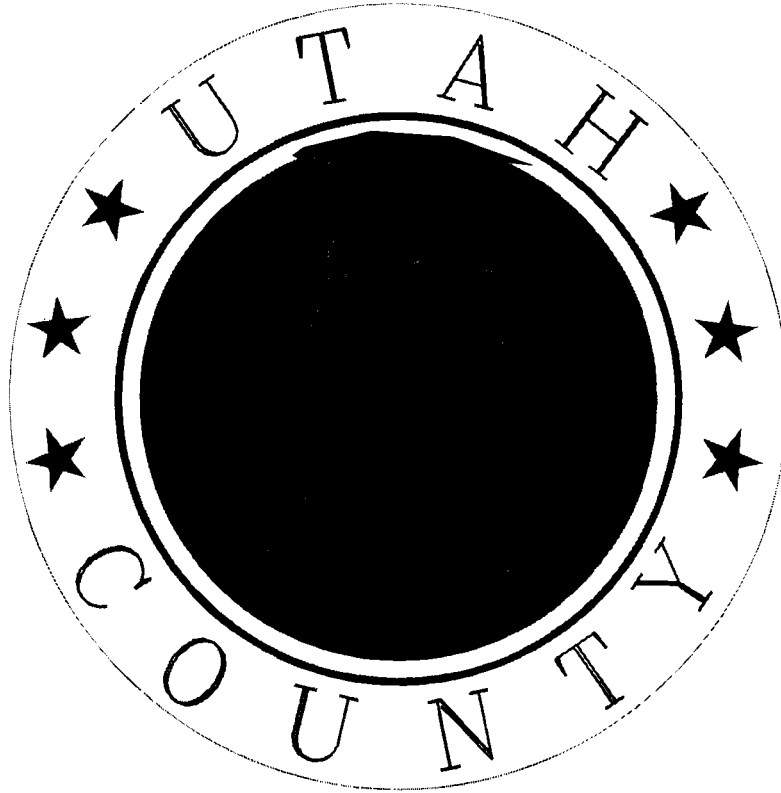


UTAH COUNTY



GENERAL PURPOSE FINANCIAL STATEMENTS

FISCAL YEAR ENDING DECEMBER 31, 2005

County Government

Utah County Auditor's Office

100 East Center Street, Suite 3600

Provo, Utah 84606

Independent Auditors

Gilbert & Stewart

Certified Public Accountants

A Professional Corporation

UTAH COUNTY

Financial Statements

Year Ended December 31, 2005

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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners
Utah County
Provo, UT

June 13, 2006

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Utah County, Utah, (the County), as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Utah Valley Convention and Visitors Bureau, Timpanogos Special Service District, North Pointe Solid Waste Special Service District and Wasatch Mental Health, which represent 97 percent of the assets, 98 percent of the revenues, and 97 percent of the net assets of the component units. These financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units, Utah Valley Convention and Visitors Bureau, Timpanogos Special Service District, North Point Solid Waste Special Service District and Wasatch Mental Health, is based solely upon the report of the other auditors.

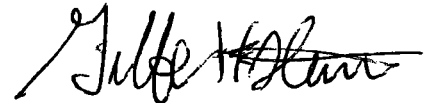
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such basic financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 3 through 12 and Required Supplementary Information on pages 43 through 47 are not a required part of the basic financial statements, but are supplementary information required by GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary combining and individual fund statements and schedules described in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2006, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide and opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

A handwritten signature in black ink, appearing to read "Gilbert & Stewart", is written over a horizontal line.

GILBERT & STEWART
Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

Utah County, Utah
Management's Discussion and Analysis
December 31, 2005

As management of Utah County, Utah, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2005.

Financial Highlights

- At the close of the most recent fiscal year, the assets of the County exceeded its liabilities by \$172,526,575 (*net assets*). Of this amount, \$70,161,513 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. The government's total net assets increased by \$9,699,132.
- The total net assets of \$172,526,575 consist of \$82,938,623 in capital assets net of related debt and \$89,587,952 in other net assets.
- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$80,773,745, an increase of \$22,217,827 in comparison with the prior year. Of this amount, \$76,174,797, or 94 percent of combined ending fund balances, is *available for spending* at the government's discretion (*unreserved, undesignated fund balance*).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$7,002,884, or 14 percent of total general fund expenditures.
- The County's total bonded debt increased by \$12,405,000 (30 percent) during the current fiscal year. The key factors in the change in bonded debt were:
 - Principal debt payments of \$1,795,000 in general obligation bonds, originally issued for construction of the County Administration Building, County Security Center, and McKay Events Center.
 - Refunding of \$21,940,000 in 2001 revenue bonds, originally issued for the construction of the Health & Justice Building and Utah County Animal Shelter.
 - New issuance of \$36,140,000 in revenue bonds to refund 2001 revenue bonds and provide additional funding for expansion of the Utah County Jail.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Utah County's finances, in a manner similar to a private-sector business.

- The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is

improving or deteriorating. Consideration should also be given to other non-financial factors that may affect the net assets.

- The *statement of activities* presents information showing how the government's net assets changed during the fiscal year being reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Accordingly, revenues and expenses are reported in this statement with no consideration to when cash is actually received or paid.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, public health, highways and streets, and parks and recreation. The County has no business-type activities.

The government-wide financial statements include not only the County itself (known as the primary government), but also legally separate entities for which the County is financially accountable. These entities include: Timpanogos Special Service District, North Pointe Solid Waste Special Service District, North Fork Special Service District, the Utah Valley Convention and Visitors Bureau, and Wasatch Mental Health Special Service District. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The Municipal Building Authority, although also legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a

reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Health Department fund, Substance Abuse fund, and Capital Projects fund, all of which are considered to be major funds. Data from the other 19 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

- **Proprietary funds.** There are two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County has no enterprise funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its fleet of vehicles, Jail food service, building maintenance, communication systems (telephone and radio), and information systems. Because these internal services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's rating system for its roads.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$172,526,575 at the close of the most recent fiscal year.

The largest portion of the County's net assets (48 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Utah County's Net Assets

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 98,916,826	\$ 77,185,165	\$ 0	\$ 0	\$ 98,916,826	\$ 77,185,165
Capital assets	138,561,118	137,539,174	0	0	138,561,118	137,539,174
Total assets	237,477,944	214,724,339	0	0	237,477,944	214,724,339
Long-term liabilities outstanding	52,763,261	41,708,062	0	0	52,763,261	41,708,062
Other liabilities	12,188,108	10,188,834	0	0	12,188,108	10,188,834
Total liabilities	64,951,369	51,896,896	0	0	64,951,369	51,896,896
Net assets:						
Invested in capital assets, net of related debt	82,938,623	93,969,587	0	0	82,938,623	93,969,587
Restricted	19,426,439	12,065,687	0	0	19,426,439	12,065,687
Unrestricted	70,161,513	56,792,169	0	0	70,161,513	56,792,169
Total net assets	\$172,526,575	\$162,827,443	\$ 0	\$ 0	\$172,526,575	\$162,827,443

An additional portion of the County's net assets (11 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$70,161,513 or 41 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report a positive balance of net assets. The same situation held true for the prior fiscal year.

There was an increase of \$7,360,752 in restricted net assets reported in connection with the County's governmental activities. Nearly half of this increase resulted from the statutory restriction on certain assets associated with assessing and collecting activities. The remaining portion is attributed to debt service reserve requirements associated with the issuance of the \$36,140,000 Sales Tax Revenue and Refunding Bonds Series 2005 issued in July 2005.

Utah County's Changes in Net Assets

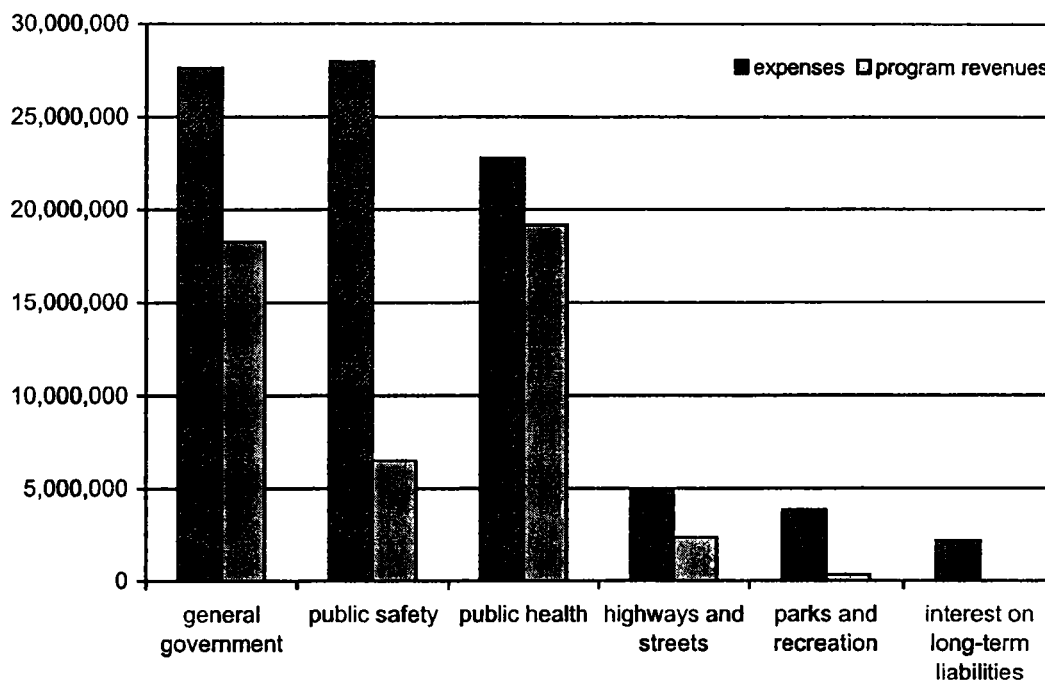
	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 23,408,392	\$ 19,057,867	\$ 0	\$ 0	\$ 23,408,392	\$ 19,057,867
Operating grants and contributions	19,786,490	20,570,179	0	0	19,786,490	20,570,179
Capital grants and contributions	3,486,604	0	0	0	3,486,604	0
General revenues:						
Property taxes	29,074,142	27,671,737	0	0	29,074,142	27,671,737
Other taxes	20,548,358	18,473,108	0	0	20,548,358	18,473,108
Other	2,618,203	186,695	0	0	2,618,203	186,695
Total revenues	98,922,189	85,959,586	0	0	98,922,189	85,959,586
Expenses:						
General government	27,603,033	17,624,680	0	0	27,603,033	17,624,680
Public safety	27,947,841	23,858,296	0	0	27,947,841	23,858,296
Public health	22,756,167	21,359,108	0	0	22,756,167	21,359,108
Highways and streets	4,858,568	4,330,036	0	0	4,858,568	4,330,036
Parks and recreation	3,860,102	3,544,036	0	0	3,860,102	3,544,036
Interest on long-term liabilities	2,197,346	2,775,040	0	0	2,197,346	2,775,040
Total expenses	89,223,057	73,491,196	0	0	89,223,057	73,491,196
Increase in net assets	9,699,132	12,468,390	0	0	9,699,132	12,468,390
Net assets – beginning	162,827,443	150,359,053	0	0	162,827,443	150,359,053
Net assets – ending	\$172,526,575	\$162,827,443	\$ 0	\$ 0	\$172,526,575	\$162,827,443

The government's net assets increased by \$9,699,132 (6 percent) during the current fiscal year. Revenues increased by \$12,962,603 (15 percent) with increases in charges for services, sales tax collections, and property tax collections accounting for the majority of the increase. Expenses decreased by \$15,731,861 (21 percent) with an increase in spending for general governmental activities accounting for the majority of the increase.

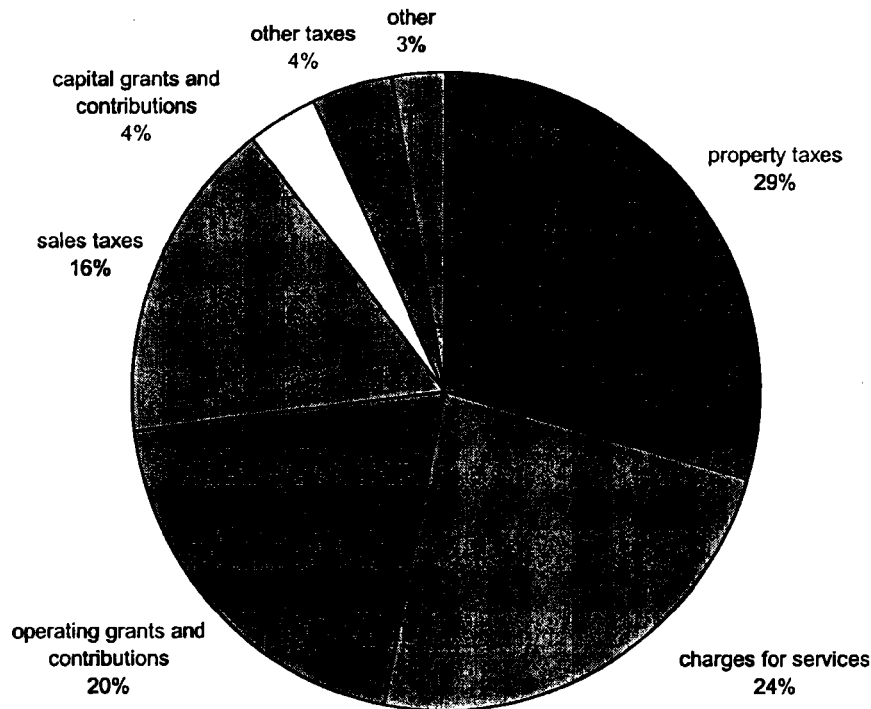
Governmental activities. As the County has no business-type activities, the increase of the County's net assets by \$9,699,132 is entirely attributed to governmental activities. Key elements of this increase are as follows:

- Charges for services increased by \$4,350,525 (23 percent). This increase is the result of both a growth in services provided and increases in the County fee schedule.
- Revenues from taxes (property and other) increased by \$3,477,655 (8 percent).
- The County received a one-time \$3,486,604 capital contribution from the State of Utah, Office of the Lieutenant Governor for computerized voting equipment to replace the punch card voting systems previously utilized by the County. Funding for this equipment was granted by the Election Assistance Commission as required by the Help America Vote Act of 2002.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



Business-type activities. The County has no business-type activities.

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

- **Governmental funds.** The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financial requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$80,773,745, an increase of \$22,217,827 in comparison with the prior year. Of the total combined ending fund balances, \$76,174,797, or 94 percent, constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed 1) to promote recreation, tourism, and conventions (\$1,030,000) and 2) to establish and maintain accurate property valuations (\$3,568,948).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$7,002,884, while total fund balance dropped to \$10,571,832. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 14 percent of total general fund expenditures, while total fund balance represents 21 percent of that same amount.

The fund balance of the County's general fund decreased by \$2,504,361 during the current fiscal year. The primary reasons for this decrease are 1) adjustments to salaries resulting from the triennial market study and 2) a transfer to the debt service fund to finance the \$15,165,000 issued in bonds to fund the expansion of the jail.

The capital projects plan has a total fund balance of \$29,627,805, all of which is designated for the payment of capital improvement projects. The net increase in fund balance during the current year of \$13,424,188 was a result of the proceeds from the issuance of the sales tax revenue bonds to fund the expansion of the jail.

- **Proprietary funds.** Unrestricted net assets of the internal service funds at the end of the year amounted to \$9,807,951. The total growth in net assets was \$383,694.

General Fund Budgetary Highlights

During the year there was a \$130,894 increase in appropriations between the original and final amended budgets. The increase was entirely attributable to increases for grants received by the Sheriff's Office.

The increase was possible because of additional anticipated revenues. Those revenues included an upturn in sales tax collections, an increase in grant monies awarded to the Sheriff's Office, an increase in the amount collected for services provided, and carryovers from prior years' budgets.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities as of December 31, 2005, amounts to \$138,561,118 (net of accumulated depreciation). This investment in capital assets includes land, rights of way, buildings, improvements other than buildings, equipment, and infrastructure. The total increase in the County's investment in capital assets for the current fiscal year was 1 percent.

Major capital asset events occurring during the current fiscal year include: 1) the completion of both the Emergency Services Building located in Spanish Fork and the Animal Shelter located in Lindon, 2) the sale of the Animal Shelter and Animal Annex, located in Provo, to the State of Utah, and 3) the purchase of additional equipment—much of which is attributable to new and replacement vehicles for the Sheriff's Office.

Utah County's Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 22,311,461	\$ 22,388,933	\$ 0	\$ 0	\$ 22,311,461	\$ 22,388,933
Rights of way	211,740	210,890	0	0	211,740	210,890
Construction in progress	0	0	0	0	0	0
Buildings	51,737,861	50,858,767	0	0	51,737,861	50,858,767
Improvements other than buildings	4,116,586	4,330,641	0	0	4,116,586	4,330,641
Equipment	4,945,033	4,517,760	0	0	4,945,033	4,517,760
Infrastructure	55,238,437	55,232,193	0	0	55,238,437	55,232,193
Total	\$138,561,118	\$137,539,184	\$ 0	\$ 0	\$138,561,118	\$137,539,184

Additional information on the County's capital assets can be found in the footnotes to this financial report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$53,580,000. Of this amount, \$17,440,000 comprises debt backed by the full faith and credit of the government and \$36,140,000 is debt that is secured solely by specific revenue sources (i.e., revenue bonds).

Utah County's Outstanding Debt General Obligation and Revenue Bonds

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
General obligation bonds	\$ 17,440,000	\$ 19,235,000	\$ 0	\$ 0	\$ 17,440,000	\$ 19,235,000
Revenue bonds	36,140,000	21,940,000	0	0	36,140,000	21,940,000
Total	\$ 53,580,000	\$ 41,175,000	\$ 0	\$ 0	\$ 53,580,000	\$ 41,175,000

The County's total debt increased by \$12,405,000 (30 percent) during the current fiscal year. The key factor in this increase was the issuance of \$15,165,000 in bonds to fund the expansion of the jail.

During 2004, \$2,000,000 in revenue bonds was authorized to fund a museum at the Cabela's store located in Lehi. The majority of these bonds had not been issued at the end of the current fiscal year. Accordingly, this bond is not reflected in the outstanding debt amounts.

The County maintains an "AA" rating from Standard & Poor's and an "Aa2" rating from Moody's Investors Service for general obligation debt. During 2005, the County issued \$36,140,000 in sales tax revenue and refunding bonds to 1) refund the higher-interest 2001 lease revenue bonds issued for construction of the Health & Justice Building and Utah County Animal Shelter and 2) provide funding for expansion of the Utah County Jail. These 2005-series bonds have been rated "Aaa" by Moody's Investors Service and "AAA" by Fitch Ratings.

The State of Utah statutorily limits the amount of general obligation debt a county may issue to two percent of the fair market value of the taxable property in the county. The fair market value of the taxable property in the county is \$27 billion; therefore, the current debt limitation for the County is \$540 million, which is significantly in excess of the County's outstanding general obligation debt.

On May 23, 2006, the County Commissioners approved a resolution to authorize the issuance of not more than \$7.65 million in sales tax revenue bonds to renovate, remodel, and expand the Utah County Security Center.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County at the end of 2005 was 4.2 percent. This compares favorably to the State's unemployment rate of 4.3 percent (Source: Utah Department of Workforce Services).
- Utah County is one of the fastest-growing counties in the State of Utah. Utah County's population in 2005 was 465,073—an increase of 4.2 percent from the prior year. Several of the State's fastest-growing cities are in Utah County, including Saratoga Springs, Cedar Hills, Lehi, Highland, and Pleasant Grove (Source: "Utah Facts 2006" prepared by The Utah Governor's Office of Economic Development). New growth generates additional property tax and sales tax revenue.

These factors were considered in preparing the County's budget for 2006.

During the current fiscal year, unreserved, undesignated fund balance in the general fund increased to \$7,002,884. The County has appropriated \$2,448,845 of this amount for spending in the 2006 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes during the 2006 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Utah County Clerk/Auditor, 100 East Center Street, Suite 3600, Provo, Utah, 84606.

BASIC FINANCIAL STATEMENTS

UTAH COUNTY
Statement of Net Assets
December 31, 2005

	Primary Governmental Activities	Component Units
Assets:		
Cash and Investments	\$ 81,378,979	\$ 13,658,808
Receivables:		
Taxes Receivable	11,906,774	76,115
Other	5,114,135	5,146,299
Inventories	222,842	14,714
Other Current Assets	169,420	1,822,319
Bond Issuance costs, net	124,676	-
Capital Assets:		
Land	22,311,461	4,673,058
Rights of Way	211,740	-
Buildings	51,737,861	-
Improvements Other Than Buildings	4,116,586	-
Equipment	4,945,033	51,924,499
Infrastructure	55,238,437	-
Construction in progress	-	324,728
Other Non Current Assets	-	36,733,966
Total Assets	237,477,944	114,374,506
Liabilities:		
Accounts Payable	\$ 3,361,864	\$ 645,423
Accrued Interest	705,023	214,264
Deferred Revenue	706,767	822,395
Other Liabilities	3,040,166	3,888,310
G.O. Bonds Payable - Due Within One Year	1,985,000	-
Revenue Bonds - Due Within One Year	2,125,000	2,510,864
Capital Leases - Due Within One Year	264,288	-
Noncurrent liabilities:		
G.O. Bonds Payable - Due More Than One Year	15,455,000	-
Revenue Bonds - Due More Than One Year	34,015,000	34,585,848
Capital Leases - Due More Than One Year	1,073,185	2,785,240
Compensated Absences	2,220,076	916,495
Total Liabilities	64,951,369	46,368,839
Net Assets:		
Invested in capital assets, net of related debt	82,938,623	17,121,829
Restricted for:		
Debt Service	8,337,993	35,670,833
Assessing and Collecting Property Tax	10,058,446	-
Transient Room Tax	1,030,000	-
Unrestricted	70,161,513	15,212,705
Total Net Assets	\$ 172,526,575	\$ 68,005,367

The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
Statement of Activities
Year Ended December 31, 2005

	Program Revenues			Net (Expense) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total	Component Units
Governmental activities:						
General Government	\$ 27,603,033	\$ 13,845,679	\$ 928,736	\$ 3,486,604	\$ (9,342,014)	\$ -
Public Safety	27,947,841	5,651,167	907,409	-	(21,389,265)	-
Public Health	22,756,167	3,911,546	15,251,950	-	(3,592,671)	-
Highways and Streets	4,858,568	-	2,367,539	-	(2,491,029)	-
Parks and Recreation	3,860,102	-	330,856	-	(3,529,246)	-
Interest on Long-term Liabilities	2,197,346	-	-	-	(2,197,346)	-
Total County	\$ 89,223,057	\$ 23,408,392	\$ 19,786,490	\$ 3,486,604	(42,541,571)	-
Component Units						
Timpanogos Special Service District	\$ 7,770,705	\$ 6,480,488	\$ -	\$ -	\$ -	\$ (1,290,217)
North Pointe Solid Waste Special Service District	6,549,655	6,375,531	-	-	-	(174,124)
North Fork Special Service District	562,102	477,780	-	-	-	(84,322)
Utah Valley Convention and Visitors Bureau	985,648	976,777	-	-	-	(8,871)
Wasatch Mental Health	18,118,735	13,925,466	4,526,700	-	-	333,431
	\$ 33,986,845	\$ 28,236,042	\$ 4,526,700	\$ -	-	\$ (1,224,103)
General revenues:						
Property Taxes					19,663,912	162,042
Fee in Lieu of Property Taxes					1,906,663	-
Assessing And Collecting					6,684,600	-
Sales Taxes					16,230,699	-
Penalties and Interest					818,967	-
Restaurant Tax					3,301,556	-
Transient Room Tax					1,016,103	-
Earnings on Investments					1,649,564	1,430,403
Impact Fees					-	10,192,559
Capital Charges					299,875	-
Gain on Disposal or Impairment of Capital Assets					668,764	996
Miscellaneous					52,240,703	11,786,000
Total general revenues					9,699,132	10,561,897
Change in net assets					162,827,443	57,443,470
Net assets - beginning					\$ 172,526,575	\$ 68,005,367
Net assets - ending					\$ 172,526,575	\$ 68,005,367

The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
Balance Sheet
Governmental Funds
December 31, 2005

	Major Funds				Other	Total
	General	Health Fund	Substance Abuse	Capital Projects	Governmental Funds	Governmental Funds
Assets:						
Cash and investments	\$ 5,114,133	\$ 9,465,116	\$ 6,145	\$ 29,913,955	\$ 26,959,775	\$ 71,459,124
Receivables:						
Taxes	8,718,830	-	-	-	3,187,944	11,906,774
Other receivables	1,960,664	682,711	1,736,922	-	240,591	4,620,888
Inventories	-	85,044	-	-	-	85,044
Due From Other Funds	256,257	-	-	-	-	256,257
Other Assets	161,500	-	3,490	-	4,700	169,690
Total assets	\$ 16,211,384	\$ 10,232,871	\$ 1,746,557	\$ 29,913,955	\$ 30,393,010	\$ 88,497,777
Liabilities and fund balances:						
Liabilities:						
Accounts payable and Accruals	\$ 2,974,862	\$ 367,408	\$ 499,217	\$ 286,150	\$ 561,967	\$ 4,689,604
Due to other funds	-	-	186,100	-	70,157	256,257
Deferred revenue	593,801	112,966	-	-	-	706,767
Other Liabilities	2,070,889	-	-	-	515	2,071,404
Total liabilities	5,639,552	480,374	685,317	286,150	632,639	7,724,032
Fund Balances:						
Reserved for:						
Transient Room Tax	-	-	-	-	1,030,000	1,030,000
Assessing and Collecting Taxes	3,568,948				6,489,498	10,058,446
Unreserved:						
Undesignated, reported in:						
General fund	7,002,884	-	-	-	-	7,002,884
Debt service fund	-	-	-	-	8,337,993	8,337,993
Capital projects fund	-	-	-	29,627,805	-	29,627,805
Special revenue funds	-	9,752,497	1,061,240	-	13,902,880	24,716,617
Total fund balances	10,571,832	9,752,497	1,061,240	29,627,805	29,760,371	80,773,745
Total liabilities and fund balances	\$ 16,211,384	\$ 10,232,871	\$ 1,746,557	\$ 29,913,955	\$ 30,393,010	\$ 88,497,777

The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
December 31, 2005

Total fund balances for governmental funds	\$ 80,773,745
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Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 22,311,461	
Rights of Way	211,740	
Buildings net of accumulated depreciation of \$10,598,643	51,737,861	
Improvements other than buildings net of acc dep. \$1,454,117	4,116,586	
Equipment net of accumulated depreciation of \$10,289,463	4,945,033	
Infrastructure	55,238,437	138,561,118

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(705,023)
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Unamortized bond issuance costs are reported as expenditures in the governmental funds.	124,676
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Unamortized bond premiums originally shown as revenue in the governmental funds.	(969,032)
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Internal service funds are used by management to provide a method of charging individual funds and departments for use of facilities, communication systems, fleet, information systems support, and other services. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund unrestricted net assets at year-end are:	9,807,751
--	-----------

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at year-end are:

General obligation bonds	(17,440,000)	
Revenue bonds	(36,140,000)	
Obligations under capital leases	(1,337,473)	
Compensated absences	(149,187)	(55,066,660)
Total net assets of governmental activities		\$ 172,526,575

The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2005

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General	Health Fund	Substance Abuse	Capital Projects		
Revenues:						
Taxes	\$ 39,931,392	\$ -	\$ -	\$ -	\$ 9,691,240	\$ 49,622,632
Licenses and Permits	100,740	-	-	-	-	100,740
Intergovernmental	4,638,117	11,286,225	5,296,450	-	3,021,817	24,242,609
Charges for Service	8,783,031	3,911,546	-	-	4,081,275	16,775,852
Fines and Forfeitures	2,075,550	-	-	-	-	2,075,550
Interest	525,027	275,383	-	644,276	204,878	1,649,564
Miscellaneous	83,963	-	-	41,396	543,405	668,764
Total revenues	56,137,820	15,473,154	5,296,450	685,672	17,542,615	95,135,711
Expenditures:						
Current:						
General Government	16,413,182	-	-	4,228,420	5,276,841	25,918,443
Public Safety	26,698,289	-	-	-	696,188	27,394,477
Public Health	11,020	17,115,571	5,443,660	-	-	22,570,251
Highways and Public Improv.	4,862,832	-	-	-	-	4,862,832
Parks and Recreation	1,533,202	-	-	-	2,075,991	3,609,193
Debt service:						
Principal retirement	-	-	-	-	3,329,288	3,329,288
Interest and fiscal charges	-	-	-	-	2,285,149	2,285,149
Total expenditures	49,518,525	17,115,571	5,443,660	4,228,420	13,663,457	89,969,633
Excess (deficiency) of revenues over (under) expenditures	6,619,295	(1,642,417)	(147,210)	(3,542,748)	3,879,158	5,166,078
Other financing sources (uses):						
Transfers In	3,387,050	2,488,770	236,632	1,100,867	11,628,441	18,841,760
Transfers Out	(12,510,706)	-	(40,000)	(616,024)	(5,362,188)	(18,528,918)
Issuance of Bonds	-	-	-	16,182,218	-	16,182,218
Issuance of Refunding Bonds	-	-	-	-	23,871,651	23,871,651
Payments to Refunding Escrow	-	-	-	-	(23,614,837)	(23,614,837)
Sale of Capital Assets	-	-	-	299,875	-	299,875
Total other financing sources (uses)	(9,123,656)	2,488,770	196,632	16,966,936	6,523,067	17,051,749
Net change in fund balances	(2,504,361)	846,353	49,422	13,424,188	10,402,225	22,217,827
Fund balances - beginning	13,076,193	8,906,144	1,011,818	16,203,617	19,358,146	58,555,918
Fund balances - ending	\$ 10,571,832	\$ 9,752,497	\$ 1,061,240	\$ 29,627,805	\$ 29,760,371	\$ 80,773,745

The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2005

Net change in fund balances for governmental funds	\$ 22,217,827
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for furniture and equipment, buildings and improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 2,263,180	
Depreciation expense	<u>(1,659,649)</u>	603,531

The net effect of various miscellaneous transactions involving capital assets (i.e. trade ins, disposals, or annexations).	(70,514)
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The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Repayment of bond principal	23,735,000	
Issuance of long term debt	(36,140,000)	
Bond premiums	(969,032)	
Increases in compensated absences	(149,187)	
Interest expense - general obligation bonds	<u>87,803</u>	(13,435,416)

Internal service funds are used by management to charge the costs of information systems, fleet, building maintenance, communications, and other services to individual funds.	383,704
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Change in net assets of governmental activities	\$ <u>9,699,132</u>
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UTAH COUNTY
Statements of Net Assets
Proprietary Funds
December 31, 2005

	Governmental Activities – Internal Service Funds
Assets:	
Current assets:	
Cash and Investments	\$ 9,919,855
Accounts Receivable	493,247
Inventory	137,798
Total Current Assets	<u>10,550,900</u>
Non Current Assets	
Capital Assets	
Equipment, Vehicles, Furniture, Other	13,097,017
Less Accumulated Depreciation	<u>(8,521,617)</u>
Total Non Current Assets	<u>4,575,400</u>
Total Assets	<u>15,126,300</u>
Liabilities:	
Current Liabilities	
Accounts payable	<u>743,149</u>
Total liabilities	<u>743,149</u>
Net assets:	
Invested In Capital Assets	4,575,200
Unrestricted	<u>9,807,951</u>
Total net assets	<u>\$ 14,383,151</u>

The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Year Ended December 31, 2005

	Governmental Activities -- Internal Service Funds
Operating revenues:	
Charges For Services	\$ 13,789,616
Operating expenses:	
Salaries, Wages, Benefits	3,941,804
Supplies, Materials, Services	8,210,029
Depreciation	1,352,820
Total operating expenses	13,504,653
Operating income (loss)	284,963
Nonoperating income:	
Sale Capital Assets	292,086
Earnings on Investments	119,487
Total Non Operating Income	411,573
Other Financing Sources and (Uses):	
Transfers In	500,353
Transfers (Out)	(813,195)
Total Other Financing Sources and (Uses)	(312,842)
Change in net assets	383,694
Total net assets - beginning	13,999,457
Total net assets - ending	\$ 14,383,151

The notes to the financial statements are an integral part of these statements.

UTAH COUNTY
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2005

	Governmental Activities -- Internal Service Funds
Cash flows from operating activities:	
Receipts From Interfund Services Provided	\$ 13,343,968
Payments For Salaries, Wages, Benefits	(3,941,804)
Payments For Supplies, Materials, Services	(7,798,643)
Net cash provided by operating activities	<u>1,603,521</u>
Cash flows from noncapital financing activities:	
Operating Transfers	<u>(312,841)</u>
Cash flows from capital and related financing activities:	
Purchase of Capital Assets	(2,098,003)
Receipts From Sale of Capital Assets	119,487
Net cash provided by capital and related financing activities	<u>(1,978,516)</u>
Cash flows from investing activities:	
Interest received	<u>281,961</u>
Net increase in cash and cash equivalents	(405,875)
Cash and cash equivalents - beginning	<u>10,325,730</u>
Cash and cash equivalents - ending	<u><u>\$ 9,919,855</u></u>
 Displayed on statements of fund net assets as:	
Cash and Investments	<u><u>\$ 9,919,855</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	\$ 284,963
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation and amortization	1,352,820
(Increase) decrease in accounts receivable	(440,852)
Increase (decrease) in accounts payable	406,590
Total adjustments	<u>1,318,558</u>
Net cash provided by operating activities	<u><u>\$ 1,603,521</u></u>
 Noncash investing, capital, and financing activities:	 none

The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
Statement of Fiduciary Net Assets
Agency Funds
December 31, 2005

	<u>Agency Funds</u>
Assets:	
Cash and investments	\$ 59,472,906
Taxes Receivable	4,289,030
Accounts Receivable	35,413
Other Assets	<u>629,356</u>
Total assets	<u>\$ 64,426,705</u>
Liabilities:	
Due to other taxing units or entities	\$ 64,168,734
Other payables	<u>257,971</u>
Total liabilities	<u>\$ 64,426,705</u>

The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of Utah County have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

The accompanying basic financial statements present the financial position of various fund types and account groups and the results of operations of the various fund types. The basic financial statements are presented for the year ended December 31, 2005.

A. Reporting Entity

For financial reporting purposes, Utah County has included all funds and account groups. The County has also considered all potential component units for which it is financially accountable and that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include (1) appointing a voting majority of an organization's governing body and (2) the ability of the County to impose its will on that organization or (3) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County.

As required by generally accepted accounting principles, these financial statements present Utah County (the primary government) and its component units. The component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Complete financial statements of the individual component units, that issued separate financial statements, can be obtained from the Utah County Auditor's office.

Discretely Presented Component Units

The component units columns in the combined financial statements include the financial data of the County's other component units. They are reported in a separate column to emphasize that they are legally separate from the County. The criteria for including the component units in the combined financial statement includes: selection of the governing board; designation of management; the ability of the County to significantly influence; and financial interdependency. Based on the above criteria, the following is a brief review of the entities that are included in the accompanying financial statements:

Timpanogos Special Service District - provides sewage treatment and disposal services for the cities and towns of Lehi, American Fork, Alpine, Pleasant Grove, Highland, Cedar Hills, Eagle Mountain and Saratoga Springs.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 1 (Continued)

North Pointe Solid Waste Special Service District - operates a transfer station for the municipalities of northern Utah County, and unincorporated areas of Utah County.

Wasatch Mental Health - provides mental health services for the residents of Utah and Wasatch Counties.

North Fork Special Service District - provides water service and fire protection to the north fork of Provo Canyon including the Sundance area.

Utah Valley Convention and Visitors Bureau - provides tourism promotion in Utah County and operates the Utah Valley Visitor Information Center.

Administrative Offices:

Utah Valley Convention & Visitors Bureau
Provo, Utah 84601
Fiscal Year Ending 12/31/05

Timpanogos Special Service District
5050 West 6400 North
American Fork, Utah 84003
Fiscal Year Ending 12/31/05

North Pointe Solid Waste Special Service District
2005 West 200 South
Lindon, Utah 84042
Fiscal Year Ending 12/31/05

Wasatch Mental Health
750 North 200 West
Provo, Utah 84601
Fiscal Year Ending 6/30/05

North Fork Special Service District
Sundance, Utah 84604
Fiscal Year Ending 12/31/05

Independent Auditor:

Squire & Co.
1329 South 800 East
Orem, UT 84058
Report Dated February 28, 2006

Squire & Co.
1329 South 800 East
Orem, UT 84058
Report dated June 8, 2006

Squire & Co.
1329 South 800 East
Orem, UT 84058
Report dated January 31, 2006

Hawkins, Cloward & Simister
1005 South 800 East
Orem, UT 84058
Report dated November 21, 2005

Gilbert & Stewart, CPA's
190 West 800 North #100
Provo, UT 84601
Report Dated May 30, 2006

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 1 (Continued)

Blended Component Unit:

The Municipal Building Authority was created by the County Commission for the purpose of issuing tax exempt bonds for construction of County facilities. The County Commissioners are the governing board. The financial statements are included in the County's financial statements as a blended component unit. The Municipal Building Authority was closed at the end of 2005.

Related Organizations

The County officials have oversight responsibilities for other organizations that do not meet the criteria to be included as component units. These organizations include North Utah County Water Conservancy District, Mountainland Association of Governments, and Housing Authority of Utah County.

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UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 1 (Continued)

CONDENSED FINANCIAL STATEMENTS -
DISCRETELY PRESENTED COMPONENT UNITS
STATEMENT OF NET ASSETS

	Timpanogos Special Service District	North Pointe Solid Waste Special Service District	North Fork Special Service District	Utah Valley Visitors and Convention Bureau	Wasatch Mental Health	Total
<u>ASSETS</u>						
Current Assets	\$6,822,358	\$2,556,620	\$478,729	\$211,992	\$10,648,556	\$20,718,255
Capital Assets (Net)	44,418,451	4,902,545	1,470,298	56,485	6,074,506	56,922,285
Other Assets	35,627,014	0	486,026	143,252	477,674	36,733,966
Total Assets	<u>86,867,823</u>	<u>7,459,165</u>	<u>2,435,053</u>	<u>411,729</u>	<u>17,200,736</u>	<u>114,374,506</u>
<u>LIABILITIES</u>						
Current Liabilities	2,281,123	763,578	326,611	15,827	4,694,117	8,081,256
Long-Term debt	34,451,284	2,679,231	240,573	0	916,495	38,287,583
Total Liabilities	<u>36,732,407</u>	<u>3,442,809</u>	<u>567,184</u>	<u>15,827</u>	<u>5,610,612</u>	<u>46,368,839</u>
<u>NET ASSETS</u>						
Net Assets	50,135,416	4,016,056	1,867,869	395,902	11,590,124	68,005,367
Net Assets	<u>\$50,135,416</u>	<u>\$4,016,056</u>	<u>\$1,867,869</u>	<u>\$395,902</u>	<u>\$11,590,124</u>	<u>\$68,005,367</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Operating Revenue	\$6,480,488	\$6,375,531	\$477,780	\$976,777	\$18,452,166	\$32,762,742
Operating Expense						
Depreciation	1,329,758	244,153	96,044	14,283	472,500	2,156,738
Other	4,134,376	5,313,882	450,502	971,365	16,850,210	27,720,335
Operating Income (Loss)	<u>1,016,354</u>	<u>817,496</u>	<u>(68,766)</u>	<u>(8,871)</u>	<u>1,129,456</u>	<u>2,885,669</u>
Other Non-Operating						
Revenue (Expense)	<u>9,049,238</u>	<u>(910,240)</u>	<u>153,726</u>	<u>996</u>	<u>(617,492)</u>	<u>7,676,228</u>
Net Income	10,065,592	(92,744)	84,960	(7,875)	511,964	10,561,897
Net Assets - Beginning	<u>40,069,824</u>	<u>4,108,800</u>	<u>1,782,909</u>	<u>403,777</u>	<u>11,078,160</u>	<u>57,443,470</u>
Net Assets - Ending	<u>\$50,135,416</u>	<u>\$4,016,056</u>	<u>\$1,867,869</u>	<u>\$395,902</u>	<u>\$11,590,124</u>	<u>\$68,005,367</u>

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 1 (Continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provided have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Utah County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 1 (Continued)

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Substance Abuse Special Revenue Fund accounts for activities associated with the operation of the Substance Abuse Department of the County.

The Health Special Revenue Fund accounts for activity associated with the operation of the Utah County Health Department.

The Capital Projects Fund accounts for activity related to major capital improvements.

The County also reports the following nonmajor funds:

Community Development (planning), Soldier Summit District, Utah County Tourism Tax, Foster Grandparents, Municipal Building Authority, Service Area #6, Service Area #7, Service Area #8, Service Area #9, Mineral Lease Revenue, 911 Emergency, Recreation and Culture, Wildland Fire, Children's Justice, County Dispatch, Animal Shelter, and Debt Service Fund, Assessing and Collecting Fund.

The County government includes internal service funds. All internal service funds assets and liabilities and net assets have been consolidated into the government-wide financial statements. Internal service funds of the County include:

Motor Pool, Jail Food Service, Building Maintenance, Radio Communications, Telephone, Equipment Replacement Fund, and Information Systems.

Additionally the County reports the following fiduciary fund types:

The Treasurer's Tax Collection Agency Fund is used to account for taxes collected by the County Treasurer but not paid as of December 31st to the taxing entities within the County.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 1 (Continued)

The Auditor's Trust Fund includes money collected but not yet paid to various other units as of December 31st.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Equity

Deposits and Investments:

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 1 (Continued)

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 Years
Improvements Other Than Buildings	20 Years
Equipment	5-10 Years

The County has adopted an allowable alternative to reporting depreciation for its roads network. Under this alternative method, referred to as the "modified approach," the County must maintain an asset management system and demonstrate that its roads are being preserved at or above condition levels established by County policy. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed.

Inventory:

Inventory is valued at the lower of cost (first-in, first-out) or market. Food commodity and vaccine inventory is valued at fair market value.

Compensated Absences:

At December 31, 2005, the County was liable for vacation pay and compensatory time. The liability was computed according to the personnel policy and amounted to \$2,220,076.

Long-Term Obligations:

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 1 (Continued)

E. Budgets and Budgetary Accounting

The governing body of the entity shall establish the time and place of the public hearing to consider the adoption of the budget and shall publish notice of the hearing at least seven days prior to the hearing in at least one issue of the newspaper of general circulation published within the County in which the entity is located. If no such newspaper is published, the required notice may be posted in three public places within the entity's jurisdiction. The tentative budget must be made available to the public for inspection for a number of days, as provided by law, prior to the budget hearing.

1. On or before the first regularly scheduled meeting of the County Commission in the month of November, the County Auditor prepares a tentative budget for the next budget year.
2. After a public notice has been published, a public hearing is then held on the adoption of the budget.
3. After the public hearing, the County Commission makes final adjustments to the tentative budget.
4. On or before December 15, the County Commission adopts the budget by resolution or ordinance and sets the tax rate for taxes.
5. The budget officer may transfer unexpended budgeted amounts within departments.
6. The County Commission may transfer unexpended budgeted amounts from one department in a fund to another department in the same fund by resolution.
7. The total budget appropriation of any governmental fund may be increased only after a public hearing has been held and followed by resolution of the County Commission.
8. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The appropriated budget is prepared by fund, function and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgetary control is the department level.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 1 (Continued)

The Fiscal Procedures Act for Utah Counties requires Counties to restrict expenditures to authorized department budgets. The combined statement of revenues, expenditures and changes in fund balance – budget and actual identifies the departments and funds which have over expended budgeted amounts if any, and therefore, do not comply with appropriate fiscal procedures.

G. Property Tax Calendar

- | | |
|-------------|--|
| January 1 | Lien Date – All property appraised based upon situs and status as of this date (real and personal). |
| March 1 | Calendar year taxing entities must inform the County of the date, time and place of the budget hearing for the next fiscal year for inclusion with tax notice. |
| June 22 | All taxing entities to adopt tentative budgets and proposed tax rates and report them to the county auditor. |
| July 22 | County auditor to prepare and mail Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners or in the event that Notices of Valuation and Tax changes are not required, the County auditor is to compute taxes and the County treasurer is to mail tax notices. |
| September 1 | State Tax Commission approves tax rates. |
| November 1 | County auditor is to deliver the equalized assessment roll to the County treasurer with affidavit. |
| November 1 | County auditor to charge the County treasurer to account for all taxes levied. |
| November 1 | County treasurer to mail tax notices. Tax notices for calendar year entities include notice of budget hearings. |
| November 30 | Taxes on real property become delinquent. |

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 2 – DEPOSITS AND INVESTMENTS

The County follows the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Title 51, Chapter 7) in handling its depository and temporary investment transactions. This law requires the depositing of County funds in a “qualified depository” defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. Each calendar quarter, the Council provides a list of qualified depositories to each public treasurer; the Council establishes the maximum amount of public funds that each qualified depository is eligible to hold.

The Act authorizes the County to invest in certificates of deposit, U.S. Treasury obligations, U.S. agency issues, high-trade commercial paper, banker’s acceptances, repurchase agreements, certain corporate bonds, State of Utah and local government obligations, and restricted mutual funds as defined by the Act and to invest in the Utah Public Treasurers’ Investment Fund (PTIF). The PTIF is not registered with the Securities and Exchange Commission as an investment company and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The operating income, gains, and losses of the PTIF are allocated to each participant based upon each participant’s average daily balance.

Deposits – The County’s carrying amount of bank deposits at December 31, 2005, is \$6,907,095 and the bank balance is \$8,920,016 (\$200,000 of which is covered by Federal depository insurance.) Uninsured deposits are not collateralized.

Investments – At December 31, 2005, the County had a balance of \$133,944,790 in the PTIF. The investment is unrated and has an average maturity of less than one year. At December 31, 2005, the County had a balance of \$14,077,087 in various short-term notes with maturities of less than one year.

Credit Risk – Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The County’s policy for limiting the credit risk of investments is to comply with the Utah Money Management Act.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County manages its exposure to declines in fair value by investing mainly in the PTIF and by adhering to the Utah Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 2 (Continued)

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy is to follow the Utah Money Management Act and to invest mainly in the PTIF. The County's investment policy does not limit the amount that can be held by counterparties.

At December 31, 2005, the County's investment balances were as follows (each investment is recorded at fair value:)

Investment in Utah Public Treasurer's Investment	
Fund not subject to categorization	\$119,867,703
Investment in various short-term notes held by	
Custodian in County's name	<u>14,077,087</u>
	<u>\$133,944,790</u>

Total deposits and investments as described above as of December 31, 2005 are as follows:

Carrying amount of deposits	\$ 6,907,095
Carrying amount of investments	<u>133,944,790</u>
Total cash and investments	<u>\$140,851,885</u>

NOTE 3 - INTERFUND LOANS, BALANCES, AND TRANSFERS

At December 31, 2005, the County had the following interfund balances:

	<u>Due To</u>	<u>Due From</u>
General Fund	\$256,527	
Human Services		\$186,100
Child Justice		57,627
Animal Shelter		<u>12,800</u>
	<u>\$256,527</u>	<u>\$256,527</u>

The government-wide statement of activities eliminates transfers as reported within the segregated governmental activities columns.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

The following schedule reports transfers and payments within the reporting entity:

Transfers From:	Transfers To					Totals
	Governmental Activities:					
	General Fund	Health Fund	Capital Projects Fund	Other Governmental Funds	Internal Service Funds	
Governmental Activities:						
Major Governmental Funds:						
General	\$ 616,024	\$ 2,488,770	\$ 1,040,817 60,050	\$ 9,021,119	\$ 276,273	\$ 13,443,003
Other Governmental Funds	<u>2,771,026</u>	<u>-</u>	<u>-</u>	<u>3,003,270</u>	<u>-</u>	<u>5,834,346</u>
	<u>\$ 3,387,050</u>	<u>\$ 2,488,770</u>	<u>\$ 1,100,867</u>	<u>\$ 12,024,309</u>	<u>\$ 276,273</u>	<u>\$ 19,277,349</u>

NOTE 4 – PROPERTY TAXES

The County assesses, bills, collects, and distributes property taxes for all taxing jurisdictions within its boundaries, including cities, school districts, and special districts, in accordance with State law. Uncollected taxes, including delinquent amounts, are deemed to be substantially collectible or recoverable through foreclosure. Accordingly, no allowance for doubtful tax accounts is considered necessary. Property taxes becomes a lien against the property as of January 1 in the year in which due and are assessed in July through billing to the property owner. Payments are due in one installment on November 30. Tax collections are recorded as funds held in trust until disbursement.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2005 was as follows:

Primary Government	Beginning			Ending
Governmental activities:	Balance	Increases	Decreases	Balance
Capital assets not being depreciated:				
Land	\$22,388,933	\$249,916	\$327,388	\$22,311,461
Rights of Way	210,890	850	-	211,740
Infrastructure	55,232,193	6,244	-	55,238,437
Total capital assets not being depreciated	<u>77,832,016</u>	<u>257,010</u>	<u>327,388</u>	<u>77,761,638</u>
Capital assets being depreciated:				
Buildings	60,381,448	1,955,056	-	62,336,504
Improvements other than buildings	5,570,703	-	-	5,570,703
Machinery and equipment	13,439,784	2,514,432	719,720	15,234,496
Total capital assets being depreciated	<u>79,391,935</u>	<u>4,469,488</u>	<u>719,720</u>	<u>83,141,703</u>

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 5 (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Less accumulated depreciation for:				
Buildings	9,522,681	1,075,962	-	10,598,643
Improvements other than buildings	1,240,062	214,055	-	1,454,117
Machinery and equipment	8,922,024	2,016,645	649,206	10,289,463
Total accumulated depreciation	19,684,767	3,306,662	649,206	22,342,223
Total capital assets, being depreciated, net	59,707,168	1,162,826	70,514	60,799,480
Governmental activities capital assets, net	<u>\$137,539,184</u>	<u>\$1,419,836</u>	<u>\$397,902</u>	<u>\$138,561,118</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$469,662
Public Health	265,556
Public safety	598,546
Highways and public improvements	70,666
Parks and recreation	255,199
Internal Service Funds (charged to individual funds based on usage)	<u>1,647,013</u>

Total depreciation expense - governmental activities	<u>\$3,306,642</u>
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Total depreciation expense	<u>\$3,306,642</u>
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NOTE 6 - LONG-TERM OBLIGATIONS

Bonds

During 1986, the Municipal Building Authority of Utah County, Utah issued Lease Revenue Bonds for the purpose of constructing an office complex and parking area for use by the State of Utah and Utah County. The 1986 Series A Bonds are not general obligations but are special limited obligations of the Authority. The 1986 Series A Bonds and the interest thereon are payable solely from, and are secured by a pledge of, the Base Rentals, and the Purchase Option Price, if paid by the County, and certain other amounts derived by the Authority under the Lease with respect to the County Complex, the proceeds of certain insurance policies, performance bonds, condemnation awards and liquidation proceeds, if any, and the proceeds, if any, of the Bond Insurance Policy.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 6 (Continued)

During 2001 the County issued General Obligation Refunding Bonds Series 2001 to defease portions of the outstanding 1993 Series A Refunding Bonds. Maturities for the 2001 Refunding Bonds are as follows:

2001 Refunding Bonds

<u>Due Date</u>		<u>Principal</u>	<u>Interest Rate</u>
February 15	2006	\$ 1,285,000	4.0%
	2007	1,335,000	4.0
	2008	1,390,000	4.05
	2009	1,445,000	4.15
	2010	1,510,000	4.25
	2011	1,575,000	4.35
	2012	1,645,000	4.5
	2013	<u>1,725,000</u>	4.6
		<u>\$11,910,000</u>	

During 2002 the County issued General Obligation Refunding Bonds Series 2002 to defease portions of the 1993 Series B General Obligation Refunding Bonds. Maturity for the 2002 refunding bonds are as follows:

2002 Refunding Bonds

<u>Due Date</u>		<u>Principal</u>	<u>Interest Rate</u>
February 15	2006	\$ 700,000	3.5%
	2007	730,000	3.5
	2008	750,000	3.75
	2009	785,000	4.00
	2010	815,000	4.50
	2011	850,000	4.25
	2012	<u>900,000</u>	4.5
		<u>\$ 5,530,000</u>	

During 2005, the County issued \$36,140,000 Sales Tax Revenue and Refunding Bonds. Of the bonds, \$20,975,000 was issued to defease the outstanding Municipal Building Authority Lease Revenue Bonds. Of the bonds, \$15,165,000 was issued to fund expansion and renovation of the County Jail. Maturity of the 2005 Sales Tax and Refunding Bonds is as follows:

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 6 (Continued)

2005 Sales Tax and Refunding Bonds

<u>Due Date</u>		<u>Principal</u>	<u>Interest Rate</u>
November 15	2006	\$ 2,125,000	4.00%
	2007	2,215,000	4.00
	2008	2,305,000	3.25
	2009	2,375,000	3.735
	2010	2,470,000	3.940
	2011	2,560,000	4.238
	2012	2,690,000	5.000
	2013	2,805,000	5.000
	2014	2,945,000	5.000
	2015	3,090,000	4.838
	2016	3,235,000	5.00
	2017	3,395,000	5.00
	2018	1,255,000	4.25
	2019	1,305,000	5.00
	2020	1,370,000	5.00
		<u>\$36,140,000</u>	

Lease Obligations

During a prior year the County entered into an agreement with Provo City Municipal Building Authority to provide annual sublease payments to the Provo City Municipal Building Authority in conjunction with construction and debt service of the Ice Sheet Arena Project. After the debt is retired, the Provo City Municipal Building Authority will transfer title of the Ice Sheet Arena to an Ice Sheet Authority of which Utah County is a 50 percent participant. Required lease payments to the Provo Municipal Building Authority is as follows:

<u>Year</u>	<u>Payment</u>
2006	\$ 264,288
2007	262,428
2008	261,473
2009	261,623
2010	260,608
2011	<u>27,053</u>
Lease Obligation	<u>\$1,337,473</u>

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 6 (Continued)

A summary of the changes in the long-term debt is as follows:

	Balance 1/01/05	Additions	Deduction	Balance 12/31/05	Amounts Due in One Year
Lease Revenue Bonds	\$21,940,000	\$ -	\$21,940,000	\$ -	\$ -
Sales Tax Revenue Bonds	-	36,140,000		36,140,000	2,125,000
General Obligation Bonds	19,235,000	-	1,795,000	17,440,000	1,985,000
Lease Obligation	1,601,761	-	264,288	1,337,473	264,288
Compensated Absences	<u>2,260,589</u>	-	<u>40,513</u>	<u>2,220,076</u>	-
Total	<u>\$45,037,350</u>	<u>\$36,140,000</u>	<u>\$24,039,801</u>	<u>\$57,137,549</u>	<u>\$4,374,288</u>

During the 2004 year, the County issued authorized \$2,000,000 in revenue bonds to fund certain improvements related to construction of a Cabela's store being built in Lehi. \$50,000 of the bonds have been issued in conjunction with certain costs of issuance.

The debt service requirements of the General Obligation and Revenue Bonds for the next five years and to maturity is as follows:

	Principal	Interest	Total
2006	\$ 4,110,000	\$ 2,326,413	\$ 6,436,413
2007	4,280,000	2,163,488	6,443,488
2008	4,445,000	1,991,765	6,436,765
2009	4,605,000	1,828,021	6,433,021
2010	4,795,000	1,643,213	6,438,213
2011	4,985,000	1,443,158	6,428,158
2012	5,235,000	1,225,889	6,460,889
2013	4,530,000	995,263	5,525,263
2014	2,945,000	816,338	3,761,338
2015	3,090,000	668,088	3,758,088
2016	3,235,000	518,588	3,753,588
2017	3,395,000	356,838	3,751,838
2018	1,255,000	187,088	1,442,088
2019	1,305,000	133,750	1,438,750
2020	<u>1,370,000</u>	<u>68,500</u>	<u>1,438,500</u>
Total	<u>\$53,580,000</u>	<u>\$16,366,400</u>	<u>\$69,946,400</u>

Advance Refunding

On August 4, 2005, \$20,975,000 in sales tax revenue bonds with an average interest rate of 4.88 percent were issued to advance refund \$20,670,000 of outstanding lease revenue bonds with an average interest rate of 4.97 percent. The net proceeds of \$23,614,836 (after payment of \$256,700 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 6 (Continued)

for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. This refunding decreases total debt service payments over the next 12 years by \$479,811 resulting in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$367,596.

Compensated Absences

Employees are granted vacation and sick leave in amounts varying with tenure. An employee may accrue up to 240 hours of vacation and unlimited amounts of sick leave. Sick leave may be converted to vacation under certain options available under the plan. As of December 31, 2005, accrued compensated absences amounted to \$2,220,076.

NOTE 7 - CONTINGENT LIABILITIES - LITIGATION

Utah County has been named as a defendant in various actions. Many of these appear to be without merit; however, the outcome and amount of claims is unknown at this time.

NOTE 8 - RETIREMENT PLANS

State Retirement System

Plan Description. Utah County contributes to the Local Governmental Contributory Retirement System and Local Governmental Noncontributory Retirement System, and Public Safety Retirement System for employers without Social Security coverage, cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, Public Safety Retirement System for employers without Social Security coverage. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 8 – (Continued)

Funding Policy. For the six months ended June 30, 2005, plan members in the Local Governmental Contributory Retirement System are required to contribute 6.00% of their annual covered salary (all or part may be paid by the employer for the employee) and Utah County is required to contribute 7.08% of their annual covered salary. In the Local Governmental Noncontributory Retirement System Utah County is required to contribute 9.44% of their annual covered salary. In the Public Safety Retirement System for employers without Social Security coverage contributory division members are required to contribute 10.50% of their salary (all or part may be paid by the employer for the employee) and Utah County is required to contribute 12.35% of their annual salary and 22.17% of their annual covered salary for members in the noncontributory division. The contribution rates are the actuarially determined rates.

For the six months ended December 31, 2005, plan members in the Local Governmental Contributory Retirement System are required to contribute 6.00% of their annual covered salary (all or part may be paid by the employer for the employee) and Utah County is required to contribute 7.08% of their annual covered salary. In the Local Governmental Noncontributory Retirement System Utah County is required to contribute 9.49% of their annual covered salary. In the Public Safety Retirement System for employers without Social Security coverage contributory division members are required to contribute 10.50% of their salary (all or part may be paid by the employer for the employee) and Utah County is required to contribute 12.47% of their annual salary and 23.32% of their annual covered salary for members in the noncontributory division. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Utah County contributions to the Local Governmental Contributory Retirement System for the years ending December 31, 2005, 2004 and 2003 were \$119,700, \$120,459 and \$109,746 respectively and for the Noncontributory Retirement System the contributions for December 31, 2005, 2004 and 2003 were \$2,063,306, \$1,898,430 and \$1,561,441 respectively and for the Public Safety Retirement System the contributions for December 31, 2005, 2004, and 2003 were \$1,822,511, \$1,584,450 and \$1,283,136 respectively. The contributions were equal to the required contributions for each year.

Utah County does not participate in the 401(K) plan offered by this system.

Utah County participates in a 457 Deferred Compensation Plan administered by the Utah State Retirement System. The Utah Retirement Systems have adopted Governmental Accounting Standards Board Statement 32 (GASB No. 32), *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This resulted in reporting the 457 Plans as a "Trust Fund" rather than previously as an "Agency Fund". Now all of the assets and income of the 457 Plan are held in trust for the exclusive benefit of the participants or their beneficiaries rather than the assets of the employer. Plan assets are no longer included in the County's financial statements.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE 8 – (Continued)

Money Purchase Pension Plan

The employees of Utah County are also covered by a Money Purchase Pension Plan administered by Mutual Benefit Life Insurance Company and Prudential Asset Management Company.

All employees of Utah County are eligible to participate except Police Officers. Utah County contributes for each participant who is exempt from the Utah State Retirement Plan 15.15% of such participant compensation. Utah County also contributes 6.25% of compensation for each other participant's compensation. The contribution for 2005 was \$1,968,050. The amount of the covered payroll was \$31,488,345 and total payroll was \$34,004,100.

Utah County also participates in a 401K plan administered by Mutual Benefit Life Insurance Company and Prudential Asset Management. The County will match contributions to the plan up to 5% of salary. Contributions during the year were \$1,324,065.

NOTE 9 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; errors and omissions; violation of civil rights; theft of, damage to, and destruction of assets; and natural disasters. These risks are covered by the County's participation in the Utah Association of Counties Insurance Mutual. This is a pooled arrangement where the counties pay experienced rated annual premiums which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base. Property physical damage is insured to replacement value; automobile physical damage is insured to actual value with a \$1,000 deductible; other liability is insured up to \$1,000,000, or the statutory limit. The County also provides workers compensation coverage through the Workers Compensation Fund of Utah. Insurance coverage by major category of risk has remained relatively constant as compared to the prior fiscal year. Insurance settlements have not exceeded insurance coverage for the past three years.

NOTE 10 – SUBSEQUENT EVENTS

Subsequent to the balance sheet date, the County authorized issuance of not more than \$7,650,000 in bonds to finance new construction and remodel of the County jail.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

UTAH COUNTY

Ratings for the County's Road System

For the year ended December 31, 2005

As allowed by GASB Statement 34, the County has adopted the modified approach for reporting, where infrastructure assets are not depreciated, and maintenance and preservation costs are expensed. The County capitalizes costs related to new construction or major replacements under the modified approach.

In order to utilize the modified approach, the County is required to:

1. Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
2. Perform and document replicable condition assessments of the eligible infrastructure assets at the condition level disclosed by the County.
3. Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level disclosed by the County.
4. Document that the infrastructure assets are being preserved approximately at, or above the condition level established by the County.

For several years, the County has used an inventory system that evaluates the Condition and Safety of its roads. This system rates good roads with a high value and poor roads with a low value by road type. Roads are re-inventoried each year to determine current condition and safety needs. Roads in each road type with low values are then targeted for maintenance in the coming budget year.

The rating system includes the following variables: a. **Surface Type** - rated from 2 points for dirt roads to 10 points for concrete roads; b. **Surface Condition** - rated with 2 points for surface failure to 15 points for no cracking; c. **Ride-ability** - rated from 2 points for very poor to 10 points for excellent; d. **Base Conditions** - rated from 5 points for very poor to 25 points for excellent; e. **Alignment** - rated at 2 points for serious problems to 10 points for straight alignment; f. **Grade** - rated at 2 points for extensive grade problems to 10 points for no grade problems; g. **Safety Issues** - rated at 2 points for obstacles to 10 points for no issues; h. **Average Daily Traffic** - rated at 2 points for 2000 vehicles per day to 1 points for 100 vehicles per day; i. **Drainage** - rated at 2 points for very poor to 10 points for excellent; and j. **Clear Zone** - rated at 2 points for ditches too close to 10 points for ten feet of clear zone.

On 12-31-2005 the County had 47.76 miles of dirt roads, 135.63 miles of gravel roads and 352.91 miles of paved roads.

It is the County's policy to maintain its roads at or above the average rating for each class of roads. It is also the policy that 50% of the roads in each class will be maintained above the average rating and that no more than 10% of the roads in each class will be in very poor condition.

Using the above system and at the end of the 2005 year, our dirt roads were rated between 46 and 83 with an average value of 62. This amounts to 47% of the dirt roads being above average condition and 12% of the dirt roads being in very poor condition.

Using the above system and at the end of the 2005 year, our gravel roads were rated between 54 and 90 with an average value of 70. This amounts to 48% of the gravel roads being above average condition and 7% of the gravel roads being in very poor condition.

Using the above system and at the end of the 2005 year, our paved roads were rated between 58 and 116 with an average value of 90. This amounts to 55% of the paved roads being above average condition and 4% of the paved roads being in very poor condition.

Over the last five reporting years, the estimated amounts needed and actual expenditures utilized to maintain and preserve the County's road system are as follows (capital expenditures are not included):

<u>YEAR</u>	<u>BUDGET</u>	<u>EXPENDITURES</u>
2001	\$2,400,000	\$2,354,293
2002	\$2,400,000	\$2,323,282
2003	\$2,200,000	\$2,006,939
2004	\$2,300,000	\$2,333,840
2005	\$2,400,000	\$2,400,563

Because of our asphaltting of previously unpaved roads, our total value of our road system increased from \$68,430,370 on 12-31-2004 to \$68,961,522 on 12-31-2005.

UTAH COUNTY
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues:				
Property taxes	\$ 22,006,500	\$ 22,320,500	\$ 23,700,693	\$ 1,380,193
Sales Taxes	15,440,000	15,690,000	16,230,699	540,699
Licenses and Permits	96,000	99,500	100,740	1,240
Intergovernmental	5,064,959	4,838,603	4,638,117	(200,486)
Charges for Service	8,845,021	8,746,081	8,783,031	36,950
Fines and Forfeitures	2,075,000	2,075,000	2,075,550	550
Interest and Other	73,615	73,615	608,990	535,375
Total revenues	53,601,095	53,843,299	56,137,820	2,294,521
Expenditures:				
Current:				
General Government	18,540,309	18,540,309	16,413,182	2,127,127
Public Safety	27,898,014	28,028,908	26,698,289	1,330,619
Public Health	20,000	20,000	11,020	8,980
Highway and Streets	5,103,249	5,103,249	4,862,832	240,417
Culture and Recreation	2,158,671	2,158,671	1,533,202	625,469
Total expenditures	53,720,243	53,851,137	49,518,525	4,332,612
Excess of revenues over expenditures	(119,148)	(7,838)	6,619,295	6,627,133
Other financing sources (uses):				
Transfer in	4,389,745	4,389,745	3,387,050	(1,002,695)
Transfer out	(13,173,915)	(12,973,098)	(12,510,706)	462,392
Total Other Financing Sources and (Uses)	(8,784,170)	(8,583,353)	(9,123,656)	(540,303)
Net change in fund balances	(8,903,318)	(8,591,191)	(2,504,361)	6,086,830
Fund balances - beginning	13,076,193	13,076,193	13,076,193	-
Fund balances - ending	\$ 4,172,875	\$ 4,485,002	\$ 10,571,832	\$ 6,086,830

The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Health Fund
Major Special Revenue Fund
Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fees	\$ 3,189,700	\$ 3,194,700	\$ 3,911,546	\$ 716,846
Intergovernmental	12,062,719	12,062,719	11,286,225	(776,494)
Other	-	-	275,383	275,383
Total revenues	<u>15,252,419</u>	<u>15,257,419</u>	<u>15,473,154</u>	<u>215,735</u>
Expenditures:				
Salaries, Wages and Benefits	7,983,744	8,033,744	7,426,029	607,715
Material, Supplies and Services	10,783,705	10,788,705	9,627,434	1,161,271
Other	191,045	191,045	62,108	128,937
Total expenditures	<u>18,958,494</u>	<u>19,013,494</u>	<u>17,115,571</u>	<u>1,897,923</u>
Excess (deficiency) of revenues over (under) expenditures	(3,706,075)	(3,756,075)	(1,642,417)	2,113,658
Other financing sources (uses)				
Operating transfers in	<u>2,488,770</u>	<u>2,488,770</u>	<u>2,488,770</u>	<u>-</u>
Net change in fund balances	(1,217,305)	(1,267,305)	846,353	2,113,658
Fund balances - beginning	<u>8,906,144</u>	<u>8,906,144</u>	<u>8,906,144</u>	<u>-</u>
Fund balances - ending	<u>\$ 7,688,839</u>	<u>\$ 7,638,839</u>	<u>\$ 9,752,497</u>	<u>\$ 2,113,658</u>

UTAH COUNTY
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Substance Abuse Fund
Major Special Revenue Fund
Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 5,967,157	\$ 5,967,157	\$ 5,296,450	\$ (670,707)
Earnings on investments		-	-	-
Total revenues	5,967,157	5,967,157	5,296,450	(670,707)
Expenditures:				
Salaries, Wages and Benefits	2,866,365	2,866,365	2,722,747	143,618
Materials, Supplies and Services	3,585,390	3,585,390	2,706,769	878,621
Other	23,400	23,440	14,144	9,296
Total expenditures	6,475,155	6,475,195	5,443,660	1,031,535
Excess (deficiency) of revenues over (under) expenditures	(507,998)	(508,038)	(147,210)	360,828
Other financing sources (uses):				
Transfers in	236,632	236,632	236,632	-
Transfers out	(40,000)	(40,000)	(40,000)	-
Total other financing sources (uses)	196,632	196,632	196,632	-
Net change in fund balances	(311,366)	(311,406)	49,422	360,828
Fund balance - beginning	1,011,818	1,011,818	1,011,818	-
Fund balance - ending	\$ 700,452	\$ 700,412	\$ 1,061,240	\$ 360,828

**COMBINING FINANCIAL STATEMENTS
AND
SUPPLEMENTARY SCHEDULES**

DECEMBER 31, 2005

Designated	
Undesignated	
Total Fund Balance	
Total Liabilities	
and Fund Balance	

UTAH COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

Special Revenue Funds																				
	Community Development	Soldier Summit	UVCVB	Foster Parents	MBA	Assessing & Collecting	6	7	Service Area	8	9	Mineral Lease	911 Line	Dispatch	Recreation & Culture	Wildland Fire	Animal Shelter	Childrens Justice	Debt Service	Total
Revenues																				
Taxes	\$0	\$12,562	\$1,016,103	\$0	\$0	\$0	\$1,143,062	\$442,851	\$426,243	\$63,689	\$0	\$0	\$0	\$0	\$1,301,556	\$0	\$0	\$0	\$1,276,806	\$9,682,872
Licenses & Permits	314,447																			314,447
Intergovernmental	11,130			628,885	2,363,460							5,626	1,296,351		578,061	819,229	204,115	512,894		5,385,277
Charges for Services		2,637	46,148	4,127	62,717		8,216	19,707	9,922	7,969	390	26,918		380,024	196,301	39,409	281,332		12,004	1,414,498
Other	350,771	15,199	1,062,251	633,012	2,426,177	0	1,151,278	462,558	436,165	71,658	6,016	1,323,269	2,730	382,734	4,075,918	858,638	485,447	512,894		745,721
Total Revenue																				17,542,815
Expenditures																				
General Government	686,099	26																		
Health																				
Culture & Recreation																				
Intergovernmental																				
Debt Service																				
Total Expenditures	686,099	26	1,003,675	695,414	2,320,810	0	0	696,188	0	0	0	1,183,703	1,083,812	641,189	1,213,258	485,788	437,899	437,899	3,213,795	5,350,149
Excess (Deficiency) of Revenue	(335,328)	15,173	58,575	(62,402)	105,367	0	1,151,278	(233,630)	436,165	71,658	6,016	139,566	(703,658)	3,434,729	(354,620)	(341)	74,995	75,015	3,213,795	13,663,657
Other Financing Sources (Uses)																				
Transfers In																				
Transfers Out	355,000			59,402	(1,958,483)		(940,000)	50,000	(385,000)	(50,000)				702,558		500,000		12,008	3,459,975	11,628,441
Refunding Bond Insurance																				(5,362,188)
Payments to Refunding Escrow																			23,871,651	23,871,651
Total Other Financing Sources (Uses)																			(23,871,651)	(23,871,651)
Excess (Deficiency) of Revenues and Other Financing Sources	355,000	0	0	59,402	(1,958,483)		(940,000)	50,000	(385,000)	(50,000)	0	0	0	702,558	(2,028,705)	500,000	0	12,008	3,716,789	6,523,067
Revenues and Other Financing Sources																				
Revenues and Other Financing Sources Over Expenditures and Other Uses	19,672	15,173	58,575	(3,000)	(1,853,116)	6,489,498	211,278	(183,630)	51,165	21,658	6,016	139,566	(500)	1,406,024	145,380	145,380	(341)	87,003	3,791,804	10,402,225
Fund Balances - Jan. 1	651,276	25,055	1,765,685	116,454	1,853,116	0	960,765	627,483	462,727	283,533	13,905	1,035,903	210,646	5,726,421	1,669,961		341	8,686	4,546,189	19,358,146
Fund Balances - Dec. 31	\$670,948	\$40,228	\$1,824,260	\$113,454	\$0	\$6,489,498	\$1,172,043	\$443,853	\$513,892	\$305,191	\$19,921	\$1,173,469	\$210,446	\$7,132,445	\$1,215,341	\$0	\$0	\$95,689	\$8,337,993	\$29,760,371

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT
NON MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Licenses and Permits	\$290,000	\$314,447	\$24,447	\$289,796
Fees	6,000	11,130	5,130	8,670
Other	2,750	25,194	22,444	13,493
Total	<u>298,750</u>	<u>350,771</u>	<u>52,021</u>	<u>311,959</u>
Expenditures				
Salaries, Wages & Benefits	654,866	561,147	93,719	376,068
Materials, Supplies & Services	237,388	117,521	119,867	317,344
Capital Outlay	9,300	7,431	1,869	0
Total	<u>901,554</u>	<u>686,099</u>	<u>215,455</u>	<u>693,412</u>
Excess (Deficiency) of Revenue Over Expenditures	(602,804)	(335,328)	267,476	(381,453)
Other Financing Sources (Uses)				
Transfer In	<u>355,000</u>	<u>355,000</u>	<u>0</u>	<u>355,000</u>
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures	(247,804)	19,672	267,476	(26,453)
Fund Balance - January 1	<u>651,276</u>	<u>651,276</u>	<u>0</u>	<u>677,729</u>
Fund Balance - December 31	<u><u>\$403,472</u></u>	<u><u>\$670,948</u></u>	<u><u>\$267,476</u></u>	<u><u>\$651,276</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SOLDIER SUMMIT
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
With Comparative Totals for 2004

	2005			2004
	Final Budget Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Taxes	\$2,200	\$12,562	\$10,362	\$3,120
Other	1,500	2,637	1,137	2,343
Total	<u>3,700</u>	<u>15,199</u>	<u>11,499</u>	<u>5,463</u>
Expenditures				
Materials, Supplies & Services	20,000	26	19,974	26,273
Total	<u>20,000</u>	<u>26</u>	<u>19,974</u>	<u>26,273</u>
Excess (Deficiency) of Revenue Over Expenditures	(16,300)	15,173	31,473	(20,810)
Fund Balance - January 1	<u>25,055</u>	<u>25,055</u>	<u>0</u>	<u>45,865</u>
Fund Balance - December 31	<u><u>\$8,755</u></u>	<u><u>\$40,228</u></u>	<u><u>\$31,473</u></u>	<u><u>\$25,055</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
UTAH VALLEY CONVENTION AND VISITOR BUREAU (UVCVB)
NON MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
With Comparative Totals for 2004

	2005			2004
	Final Budget Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Taxes	\$950,000	\$1,016,103	\$66,103	\$919,304
Other	0	46,148	46,148	26,088
Total	<u>950,000</u>	<u>1,062,251</u>	<u>112,251</u>	<u>945,392</u>
Expenditures				
Salaries, Wages & Benefits	0	0	0	0
Materials, Supplies & Services	1,004,026	1,003,676	350	796,800
Debt Service	0	0	0	264,288
Total	<u>1,004,026</u>	<u>1,003,676</u>	<u>350</u>	<u>1,061,088</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(54,026)</u>	<u>58,575</u>	<u>112,601</u>	<u>(115,696)</u>
Fund Balance - January 1	<u>1,765,685</u>	<u>1,765,685</u>	<u>0</u>	<u>1,881,381</u>
Fund Balance - December 31	<u><u>\$1,711,659</u></u>	<u><u>\$1,824,260</u></u>	<u><u>\$112,601</u></u>	<u><u>\$1,765,685</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOSTER GRANDPARENTS
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Intergovernmental	\$721,058	\$628,885	(\$92,173)	\$649,501
Other	7,817	4,127	(3,690)	5,796
Total	<u>728,875</u>	<u>633,012</u>	<u>(95,863)</u>	<u>655,297</u>
Expenditures				
Salaries, Wages & Benefits	248,258	214,741	33,517	203,363
Materials, Supplies & Services	566,351	479,683	86,668	429,854
Capital Outlay	1,050	990	60	1,058
Total	<u>815,659</u>	<u>695,414</u>	<u>120,245</u>	<u>634,275</u>
Excess (Deficiency) of Revenue Over Expenditures	(86,784)	(62,402)	24,382	21,022
Other Financing Sources (Uses)				
Transfer In	<u>77,158</u>	<u>59,402</u>	<u>(17,756)</u>	<u>45,059</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(9,626)	(3,000)	6,626	66,081
Fund Balance - January 1	<u>116,454</u>	<u>116,454</u>	<u>0</u>	<u>50,373</u>
Fund Balance - December 31	<u><u>\$106,828</u></u>	<u><u>\$113,454</u></u>	<u><u>\$6,626</u></u>	<u><u>\$116,454</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MUNICIPAL BUILDING AUTHORITY
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Charges for Services	\$2,362,260	\$2,363,460	\$1,200	\$2,362,260
Other	2,244,440	62,717	(2,181,723)	31,433
Total	4,606,700	2,426,177	(2,180,523)	2,393,693
Expenditures				
Capital Outlay	184,457	184,456	1	1,630,903
Debt Service	2,136,354	2,136,354	0	2,366,642
Total	2,320,811	2,320,810	1	3,997,545
Excess (Deficiency) of Revenue Over Expenditures	2,285,889	105,367	(2,180,522)	(1,603,852)
Other Financing Sources (Uses)				
Transfer In	0	0	0	0
Transfer Out	0	(1,958,483)	(1,958,483)	0
Total Other Financing Sources (Uses)	0	(1,958,483)	(1,958,483)	0
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	2,285,889	(1,853,116)	(4,139,005)	(1,603,852)
Fund Balance - January 1	1,853,116	1,853,116	0	3,456,968
Fund Balance - December 31	<u>\$4,139,005</u>	<u>\$0</u>	<u>(\$4,139,005)</u>	<u>\$1,853,116</u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SERVICE AREA 6
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Property Tax	\$940,000	\$1,143,062	\$203,062	\$1,161,079
Other	0	8,216	8,216	4,525
Total	<u>940,000</u>	<u>1,151,278</u>	<u>211,278</u>	<u>1,165,604</u>
Transfer To				
Law Enforcement	(940,000)	(940,000)	0	(940,000)
Planning				
Total	<u>(940,000)</u>	<u>(940,000)</u>	<u>0</u>	<u>(940,000)</u>
Excess (Deficiency) of Revenue Over Transfers	0	211,278	211,278	225,604
Fund Balance - January 1	<u>960,765</u>	<u>960,765</u>	<u>0</u>	<u>735,161</u>
Fund Balance - December 31	<u><u>\$960,765</u></u>	<u><u>\$1,172,043</u></u>	<u><u>\$211,278</u></u>	<u><u>\$960,765</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SERVICE AREA 7
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Property Tax	\$400,000	\$442,851	\$42,851	\$443,962
Other	12,500	19,707	7,207	17,007
Total	<u>412,500</u>	<u>462,558</u>	<u>50,058</u>	<u>460,969</u>
Expenditures				
Fire Allotments	<u>800,603</u>	<u>696,188</u>	<u>104,415</u>	<u>583,491</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(388,103)</u>	<u>(233,630)</u>	<u>154,473</u>	<u>(122,522)</u>
Other Financing Sources (Uses)				
Transfer In	135,000	50,000	(85,000)	55,000
Transfer (Out)	0	0	0	(616,024)
Net Other Financing Sources (Uses)	<u>135,000</u>	<u>50,000</u>	<u>(85,000)</u>	<u>(561,024)</u>
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures	<u>(253,103)</u>	<u>(183,630)</u>	<u>69,473</u>	<u>(683,546)</u>
Fund Balance - January 1	<u>627,483</u>	<u>627,483</u>	<u>0</u>	<u>1,311,029</u>
Fund Balance - December 31	<u><u>\$374,380</u></u>	<u><u>\$443,853</u></u>	<u><u>\$69,473</u></u>	<u><u>\$627,483</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SERVICE AREA 8
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Property Tax	\$360,000	\$426,243	\$66,243	\$427,049
Other		9,922	9,922	4,272
Total	<u>360,000</u>	<u>436,165</u>	<u>76,165</u>	<u>431,321</u>
Operating Transfers To				
General Fund	(30,000)	(30,000)	0	(45,000)
Planning & Zoning	(355,000)	(355,000)	0	(355,000)
Total	<u>(385,000)</u>	<u>(385,000)</u>	<u>0</u>	<u>(400,000)</u>
Excess (Deficiency) of Revenue Over Transfers	(25,000)	51,165	76,165	31,321
Fund Balance - January 1	<u>462,727</u>	<u>462,727</u>	<u>0</u>	<u>431,406</u>
Fund Balance - December 31	<u><u>\$437,727</u></u>	<u><u>\$513,892</u></u>	<u><u>\$76,165</u></u>	<u><u>\$462,727</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SERVICE AREA 9
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Property Tax	\$50,000	\$63,689	\$13,689	\$67,095
Other		7,969	7,969	4,230
Total	<u>50,000</u>	<u>71,658</u>	<u>21,658</u>	<u>71,325</u>
Expenditures				
Fire Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>50,000</u>	<u>71,658</u>	<u>21,658</u>	<u>71,325</u>
Other Financing Sources (Uses)				
Transfer In	85,000	0	(85,000)	147,946
Transfer Out	<u>(135,000)</u>	<u>(50,000)</u>	<u>85,000</u>	<u>(202,946)</u>
Total	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>	<u>(55,000)</u>
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures	0	21,658	21,658	16,325
Fund Balance - January 1	<u>283,533</u>	<u>283,533</u>	<u>0</u>	<u>267,208</u>
Fund Balance - December 31	<u>\$283,533</u>	<u>\$305,191</u>	<u>\$21,658</u>	<u>\$283,533</u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MINERAL LEASE
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenues				
Intergovernmental	\$11,000	\$5,626	(\$5,374)	\$6,159
Other Revenue		390	390	474
Total Revenue	11,000	6,016	(4,984)	6,633
Expenditures		0	0	
Excess (Deficiency) of Revenue Over Expenditures	11,000	6,016	(4,984)	6,633
Other Financing Sources (Uses)				
Transfer In (Out)	(91,989)		91,989	(81,898)
Excess (Deficiency) of Revenue and Other Sources Over Expenditures and Other Uses	(80,989)	6,016	87,005	(75,265)
Fund Balance - January 1	13,905	13,905	0	89,170
Fund Balance - December 31	(\$67,084)	\$19,921	\$87,005	\$13,905

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

911 LINE

NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
 With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenues				
Intergovernmental	\$816,000	\$1,296,351	\$480,351	\$807,409
Misc. Income	0	26,918	26,918	12,776
Total	<u>816,000</u>	<u>1,323,269</u>	<u>507,269</u>	<u>820,185</u>
Expenditures				
Salaries, Wages & Benefits	418,372	397,578	20,794	336,538
Materials, Supplies & Service	1,036,006	785,140	250,866	152,878
Capital Outlay	6,485	985	5,500	0
Total	<u>1,460,863</u>	<u>1,183,703</u>	<u>277,160</u>	<u>489,416</u>
Excess (Deficiency) of Revenue Over Expenditures	(644,863)	139,566	784,429	330,769
Other Financing Sources (Uses)				
Operating Trasfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>(27,965)</u>
Excess (Deficiency) of Revenue Over Expenditures and Operating Transfers	(644,863)	139,566	784,429	302,804
Fund Balance - January 1	<u>1,035,903</u>	<u>1,035,903</u>	<u>0</u>	<u>733,099</u>
Fund Balance - December 31	<u>\$391,040</u>	<u>\$1,175,469</u>	<u>\$784,429</u>	<u>\$1,035,903</u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DISPATCH
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenues				
Fees	\$335,688	\$380,024	\$44,336	\$310,740
Other Revenue	0	2,730	2,730	2,276
Total	<u>335,688</u>	<u>382,754</u>	<u>47,066</u>	<u>313,016</u>
Expenditures				
Salaries, Wages & Benefits	1,009,988	955,222	54,766	952,215
Materials, Supplies & Services	162,367	129,896	32,471	116,589
Capital Outlay	3,650	694	2,956	2,335
Total	<u>1,176,005</u>	<u>1,085,812</u>	<u>90,193</u>	<u>1,071,139</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(840,317)</u>	<u>(703,058)</u>	<u>137,259</u>	<u>(758,123)</u>
Other Financing Sources (Uses)				
Transfer In	799,700	702,558	(97,142)	810,583
Transfer Out	(61,807)	0	61,807	
Total Other Financing Sources (Uses)	<u>737,893</u>	<u>702,558</u>	<u>(35,335)</u>	<u>810,583</u>
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Uses	<u>(102,424)</u>	<u>(500)</u>	<u>101,924</u>	<u>52,460</u>
Fund Balance - January 1	<u>210,646</u>	<u>210,646</u>	<u>0</u>	<u>158,186</u>
Fund Balance - December 31	<u><u>\$108,222</u></u>	<u><u>\$210,146</u></u>	<u><u>\$101,924</u></u>	<u><u>\$210,646</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
RECREATION AND CULTURE
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Restaurant Tax	\$3,000,000	\$3,301,556	\$301,556	\$3,182,593
Intergovernmental	510,800	578,061	67,261	345,575
Misc Income	0	196,301	196,301	60,365
Total	<u>3,510,800</u>	<u>4,075,918</u>	<u>565,118</u>	<u>3,588,533</u>
Expenditures				
Recreation and Culture	<u>1,702,354</u>	<u>641,189</u>	<u>1,061,165</u>	<u>467,676</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>1,808,446</u>	<u>3,434,729</u>	<u>1,626,283</u>	<u>3,120,857</u>
Other Financing Sources (Uses)				
Transfer In	0	0	0	0
Transfer Out	<u>(3,865,769)</u>	<u>(2,028,705)</u>	<u>1,837,064</u>	<u>(1,832,862)</u>
Total	<u>(3,865,769)</u>	<u>(2,028,705)</u>	<u>1,837,064</u>	<u>(1,832,862)</u>
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures	<u>(2,057,323)</u>	<u>1,406,024</u>	<u>3,463,347</u>	<u>1,287,995</u>
Fund Balance - January 1	<u>5,726,421</u>	<u>5,726,421</u>	<u>0</u>	<u>4,438,426</u>
Fund Balance - December 31	<u><u>\$3,669,098</u></u>	<u><u>\$7,132,445</u></u>	<u><u>\$3,463,347</u></u>	<u><u>\$5,726,421</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
WILDLAND FIRE SERVICE
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenues				
Fees	\$900,050	\$819,229	(\$80,821)	\$450,510
Other Revenue	20,000	39,409	19,409	15,676
Total Revenue	<u>920,050</u>	<u>858,638</u>	<u>(61,412)</u>	<u>466,186</u>
Expenditures				
Salaries, Wages & Benefits	772,146	675,293	96,853	520,715
Materials, Supplies & Services	905,335	537,965	367,370	470,595
Total Expenditures	<u>1,677,481</u>	<u>1,213,258</u>	<u>464,223</u>	<u>991,310</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(757,431)</u>	<u>(354,620)</u>	<u>402,811</u>	<u>(525,124)</u>
Other Financing Sources (Uses)				
Transfer In	500,000	500,000	0	650,000
Transfer Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>500,000</u>	<u>0</u>	<u>650,000</u>
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Uses	<u>(257,431)</u>	<u>145,380</u>	<u>402,811</u>	<u>124,876</u>
Fund Balance - January 1	<u>1,069,961</u>	<u>1,069,961</u>	<u>0</u>	<u>945,085</u>
Fund Balance - December 31	<u><u>\$812,530</u></u>	<u><u>\$1,215,341</u></u>	<u><u>\$402,811</u></u>	<u><u>\$1,069,961</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ANIMAL SHELTER
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenues				
Fees	\$210,000	\$204,115	(\$5,885)	\$205,300
Misc. Income	322,043	281,332	(40,711)	337,688
Total	<u>532,043</u>	<u>485,447</u>	<u>(46,596)</u>	<u>542,988</u>
Expenditures				
Salaries, Wages & Benefits	201,596	199,023	2,573	191,784
Materials, Supplies & Service	326,597	286,451	40,146	350,998
Capital Outlay	3,850	314	3,536	156
Total	<u>532,043</u>	<u>485,788</u>	<u>46,255</u>	<u>542,938</u>
Excess (Deficiency) of Revenue Over Expenditures	0	(341)	(341)	50
Fund Balance - January 1	<u>341</u>	<u>341</u>		<u>291</u>
Fund Balance - December 31	<u><u>\$341</u></u>	<u><u>\$0</u></u>	<u><u>(\$341)</u></u>	<u><u>\$341</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CHILDREN'S JUSTICE
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenues				
Intergovernmental	\$482,931	\$512,894	\$29,963	\$378,674
Other	0	0	0	0
Total	<u>482,931</u>	<u>512,894</u>	<u>29,963</u>	<u>378,674</u>
Expenditures				
Salaries, Wages & Benefits	379,446	368,419	11,027	341,512
Materials, Supplies & Services	95,956	61,736	34,220	55,915
Capital Outlay	42,737	7,744	34,993	16,017
Total	<u>518,139</u>	<u>437,899</u>	<u>80,240</u>	<u>413,444</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(35,208)</u>	<u>74,995</u>	<u>110,203</u>	<u>(34,770)</u>
Other Financing Sources				
Transfer In	<u>35,218</u>	<u>12,008</u>	<u>(23,210)</u>	<u>13,801</u>
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures	10	87,003	86,993	(20,969)
Fund Balance - January 1	<u>8,686</u>	<u>8,686</u>	<u>0</u>	<u>29,655</u>
Fund Balance - December 31	<u><u>\$8,696</u></u>	<u><u>\$95,689</u></u>	<u><u>\$86,993</u></u>	<u><u>\$8,686</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DEBT SERVICE FUND
NONMAJOR DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005
With Comparative Totals for 2004

	2005			2004
	Final Budget Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Property Taxes	\$2,300,000	\$3,276,806	\$976,806	\$3,321,288
Other		12,004	12,004	8,673
Total	<u>2,300,000</u>	<u>3,288,810</u>	<u>988,810</u>	<u>3,329,961</u>
Expenditures				
Debt Service:				
Bond Issuance Costs	0	256,814	(256,814)	0
Principal Retirement	3,159,902	1,795,000	1,364,902	1,735,000
Interest and Fiscal Charges	2,535,310	1,161,981	1,373,329	835,572
Total	<u>5,695,212</u>	<u>3,213,795</u>	<u>2,481,417</u>	<u>2,570,572</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(3,395,212)</u>	<u>75,015</u>	<u>3,470,227</u>	<u>759,389</u>
Other Financing Sources (Uses)				
Transfers In	3,395,212	3,459,975	64,763	481,370
Refunding Bond Issuance	0	23,871,651	23,871,651	0
Payments to Refunding Escrow	0	(23,614,837)	(23,614,837)	0
Total Other Source and (Uses)	<u>3,395,212</u>	<u>3,716,789</u>	<u>321,577</u>	<u>481,370</u>
Excess (Def) of Revenues and Other Sources over Expenditure and (Uses)	<u>0</u>	<u>3,791,804</u>	<u>3,791,804</u>	<u>1,240,759</u>
Fund Balance - January 1	<u>4,546,189</u>	<u>4,546,189</u>	<u>0</u>	<u>3,305,430</u>
Fund Balance - December 31	<u>\$4,546,189</u>	<u>\$8,337,993</u>	<u>\$3,791,804</u>	<u>\$4,546,189</u>

UTAH COUNTY
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Major Capital Projects Fund
Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Local sources:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	685,672	685,672
Total revenues	-	-	685,672	685,672
Expenditures				
Capital Outlay	14,406,000	14,406,000	4,228,420	10,177,580
Total expenditures	14,406,000	14,406,000	4,228,420	10,177,580
Excess (deficiency) of revenues over (under) expenditures	(14,406,000)	(14,406,000)	(3,542,748)	10,863,252
Other Financing Sources (Uses)				
Transfer in	1,840,000	2,040,817	1,100,867	(939,950)
Transfers Out		(616,024)	(616,024)	-
Sale of Capital Assets			299,875	299,875
Issuance of Bonds			15,165,000	15,165,000
Bond Premium	-	-	1,017,218	1,017,218
Total other financing sources (uses)	1,840,000	1,424,793	16,966,936	15,542,143
Net change in fund balances	(12,566,000)	(12,981,207)	13,424,188	26,405,395
Fund balance - beginning	16,203,617	16,203,617	16,203,617	-
Fund balance - ending	\$ 3,637,617	\$ 3,222,410	\$ 29,627,805	\$ 26,405,395

UTAH COUNTY
Combining Statement of Net Assets
Internal Service Funds
DECEMBER 31, 2005

	Internal Service Funds						
	Motor Pool	Kitchen	Telephone	Radio	Building Maintenance	Information Systems	Total
<u>ASSETS</u>							
Current Assets							
Cash	\$4,473,435	\$1,532,595	\$833,544	\$334,433	\$2,222,222	\$523,626	\$9,919,855
Accounts Receivable	110,049		5,150	39,631	268,610	69,807	493,247
Inventory	60,522	77,276					137,798
Prepaid Expenses							0
Total Current Assets	<u>4,644,006</u>	<u>1,609,871</u>	<u>838,694</u>	<u>374,064</u>	<u>2,490,832</u>	<u>593,433</u>	<u>10,550,900</u>
Capital Assets							
Equipment, Vehicles, Furniture	8,523,415	54,200	848,731	1,966,725	686,626	1,017,320	13,097,017
Accumulated Depreciation	<u>(5,212,464)</u>	<u>(39,421)</u>	<u>(659,517)</u>	<u>(1,315,616)</u>	<u>(470,211)</u>	<u>(824,388)</u>	<u>(8,521,617)</u>
Net Property, Plant & Equipment	<u>3,310,951</u>	<u>14,779</u>	<u>189,214</u>	<u>651,109</u>	<u>216,415</u>	<u>192,932</u>	<u>4,575,400</u>
Total Assets	<u>7,954,957</u>	<u>1,624,650</u>	<u>1,027,908</u>	<u>1,025,173</u>	<u>2,707,247</u>	<u>786,365</u>	<u>15,126,300</u>
<u>LIABILITIES AND NET ASSETS</u>							
Liabilities							
Account Payable	\$55,884	\$46,412	\$44,386	\$112,337	\$346,244	\$137,886	\$743,149
Total Liabilities	<u>55,884</u>	<u>46,412</u>	<u>44,386</u>	<u>112,337</u>	<u>346,244</u>	<u>137,886</u>	<u>743,149</u>
Net Assets							
Invested in Capital Assets	3,310,951	14,779	189,214	650,909	216,415	192,932	4,575,200
Unrestricted	<u>4,588,122</u>	<u>1,563,459</u>	<u>794,308</u>	<u>261,927</u>	<u>2,144,588</u>	<u>455,547</u>	<u>9,807,951</u>
Total Net Assets	<u>\$7,899,073</u>	<u>\$1,578,238</u>	<u>\$983,522</u>	<u>\$912,836</u>	<u>\$2,361,003</u>	<u>\$648,479</u>	<u>\$14,383,151</u>

UTAH COUNTY
Combining Statement of Revenues, Expenses
And Changes In Net Assets
Internal Service Funds
Year Ended December 31, 2005

	Internal Service Funds							
	Motor Pool	Kitchen	Telephone	Radio	Building Maintenance	Information Systems	Equipment Replacement	Total
Operating Revenue								
Rent and Maintenance	\$0	\$0	\$0	\$0	\$5,745,489	\$0	\$0	\$5,745,489
Leases	3,041,548		577,746	728,631		2,185,433		6,533,358
Meal Sales		1,251,186						1,251,186
Other Revenues	141,667	500	682	329	3,545	112,860		259,583
Total Operating Revenue	<u>3,183,215</u>	<u>1,251,686</u>	<u>578,428</u>	<u>728,960</u>	<u>5,749,034</u>	<u>2,298,293</u>	<u>0</u>	<u>13,789,616</u>
Operating Expenses								
Personal Services	551,897	255,895	131,051	59,272	1,482,942	1,460,747		3,941,804
Supplies and Materials	1,121,773	840,409	339,424	566,368	4,530,604	811,451		8,210,029
Depreciation	888,829	10,840	56,374	324,067	52,640	20,070		1,352,820
Total Operating Expenses	<u>2,562,499</u>	<u>1,107,144</u>	<u>526,849</u>	<u>949,707</u>	<u>6,066,186</u>	<u>2,292,268</u>	<u>0</u>	<u>13,504,653</u>
Operating Income (Loss)	<u>620,716</u>	<u>144,542</u>	<u>51,579</u>	<u>(220,747)</u>	<u>(317,152)</u>	<u>6,025</u>	<u>0</u>	<u>284,963</u>
Non-Operating Revenue (Expense)								
Interest	125,325	46,874	23,795	8,523	77,444	10,124	1	292,086
Sale of Assets	119,487							119,487
Total Non-Operating Income (Expense)	<u>244,812</u>	<u>46,874</u>	<u>23,795</u>	<u>8,523</u>	<u>77,444</u>	<u>10,124</u>	<u>1</u>	<u>411,573</u>
Net Income (Loss) Before Operating Transfers	<u>865,528</u>	<u>191,416</u>	<u>75,374</u>	<u>(212,224)</u>	<u>(239,708)</u>	<u>16,149</u>	<u>1</u>	<u>696,536</u>
Operating Transfers In					223,590	276,763		500,353
Operating Transfers Out		(333,003)			(203,429)		(276,763)	(813,195)
Net Operating Transfers	<u>0</u>	<u>(333,003)</u>	<u>0</u>	<u>0</u>	<u>20,161</u>	<u>276,763</u>	<u>(276,763)</u>	<u>(312,842)</u>
Net Income (Loss) Before Capital Contributions	<u>865,528</u>	<u>(141,587)</u>	<u>75,374</u>	<u>(212,224)</u>	<u>(219,547)</u>	<u>292,912</u>	<u>(276,762)</u>	<u>383,694</u>
Capital Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Income	<u>865,528</u>	<u>(141,587)</u>	<u>75,374</u>	<u>(212,224)</u>	<u>(219,547)</u>	<u>292,912</u>	<u>(276,762)</u>	<u>383,694</u>
Net Assets - Beg	<u>7,033,545</u>	<u>1,719,825</u>	<u>908,148</u>	<u>1,125,060</u>	<u>2,580,550</u>	<u>355,567</u>	<u>276,762</u>	<u>13,999,457</u>
Net Assets - End	<u>\$7,899,073</u>	<u>\$1,578,238</u>	<u>\$983,522</u>	<u>\$912,836</u>	<u>\$2,361,003</u>	<u>\$648,479</u>	<u>\$0</u>	<u>\$14,383,151</u>

UTAH COUNTY
Combining Statement of Fund Cash Flows
Internal Service Funds
Year Ended December 31, 2005

	Internal Service Funds							
	Motor Pool	Kitchen	Telephone	Radio	Building Maintenance	Information Systems	Equipment Replacement	Totals
Cash flows from operating activities:								
Receipts from interfund services provided	\$ 3,081,128	\$ 1,251,404	\$ 564,379	\$ 721,267	\$ 5,483,984	\$ 2,241,806	\$ -	\$ 13,343,968
Payment for Salaries, Wages, Benefits	(551,897)	(255,895)	(131,051)	(59,272)	(1,482,942)	(1,460,747)	-	(3,941,804)
Payment for Supplies, Materials, Services	(1,100,571)	(839,387)	(294,054)	(470,779)	(4,357,130)	(736,722)	-	(7,798,643)
Net cash provided (used) by operating activities	1,428,660	156,122	139,274	191,216	(356,088)	44,337	-	1,603,521
Cash flows from noncapital financing activities:								
Operating transfers	-	(333,003)	-	-	20,161	276,763	(276,762)	(312,841)
Cash flows from capital and related financing activities:								
Purchases of capital assets	(1,368,662)	(10,166)	(89,670)	(256,848)	(262,270)	(110,387)	-	(2,098,003)
Receipts from sale of capital assets	119,487	-	-	-	-	-	-	119,487
Net cash provided (used) by capital and related act.	#####	(10,166)	(89,670)	(256,848)	(262,270)	(110,387)	-	(1,978,516)
Cash flows from investing activities:								
Interest received	125,325	46,874	23,795	8,523	77,444	-	-	281,961
Net increase in cash and cash equivalents	304,810	(140,173)	73,399	(57,109)	(520,753)	210,713	(276,762)	(405,875)
Cash and Cash Equivalents - Beginning	4,168,625	1,672,768	760,145	391,542	2,742,975	312,913	276,762	10,325,730
Cash and Cash Equivalents - Ending	\$ 4,473,435	\$ 1,532,595	\$ 833,544	\$ 334,433	\$ 2,222,222	\$ 523,626	\$ -	\$ 9,919,855
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ 620,716	\$ 144,542	\$ 51,579	\$ (220,747)	\$ (317,152)	\$ 6,025	\$ -	\$ 284,963
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and Amortization	888,829	10,840	56,374	324,067	52,640	20,070	-	1,352,820
(Increase) decrease in accounts receivable	(102,087)	(13,367)	3,832	(7,693)	(265,050)	(56,487)	-	(440,852)
Increase (decrease) in accounts payable	21,202	14,107	27,489	95,589	173,474	74,729	-	406,590
Total adjustments	807,944	11,580	87,695	411,963	(38,936)	38,312	-	1,318,558
Net cash provided (used) by operating activities	\$ 1,428,660	\$ 156,122	\$ 139,274	\$ 191,216	\$ (356,088)	\$ 44,337	\$ -	\$ 1,603,521
Noncash investing, capital, and financing activities:	none	none	none	none	none	none	none	none

UTAH COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Balance January 1 2005	Additions	Deductions	Balance December 31 2005
<u>Auditor's Trusts</u>				
Assets				
Cash	\$3,704,501	\$2,986,443	\$3,126,530	\$3,564,414
Accounts Receivable	46,226	35,413	46,226	35,413
Prepays	0	629,356		629,356
Total	<u>\$3,750,727</u>	<u>\$3,651,212</u>	<u>\$3,172,756</u>	<u>\$4,229,183</u>
Liabilities				
Accounts Payable	\$216,716	\$257,971	\$216,716	\$257,971
Due Other Governments	3,534,011	3,393,241	2,956,040	3,971,212
	<u>\$3,750,727</u>	<u>\$3,651,212</u>	<u>\$3,172,756</u>	<u>\$4,229,183</u>
<u>Treasurer's Trust</u>				
Assets				
Cash	\$47,691,091	\$381,706,562	\$373,489,161	\$55,908,492
Taxes Receivable	3,572,921	716,109		4,289,030
Total Assets	<u>\$51,264,012</u>	<u>\$382,422,671</u>	<u>\$373,489,161</u>	<u>\$60,197,522</u>
Liabilities				
Due Other Governments	<u>\$51,264,012</u>	<u>\$382,422,671</u>	<u>\$373,489,161</u>	<u>\$60,197,522</u>
<u>Totals - All Agency Funds</u>				
Assets				
Cash	\$51,395,592	\$384,693,005	\$376,615,691	\$59,472,906
Taxes Receivable	3,572,921	716,109	0	4,289,030
Accounts Receivable	46,226	35,413	46,226	35,413
Prepays	0	629,356	0	629,356
Total Assets	<u>\$55,014,739</u>	<u>\$386,073,883</u>	<u>\$376,661,917</u>	<u>\$64,426,705</u>
Liabilities				
Due to Other Governments	\$54,798,023	\$385,815,912	\$376,445,201	\$64,168,734
Accounts Payable	216,716	257,971	216,716	257,971
Total Liabilities	<u>\$55,014,739</u>	<u>\$386,073,883</u>	<u>\$376,661,917</u>	<u>\$64,426,705</u>

UTAH COUNTY
Combining Statement of Net Assets
Discretely Presented Component Units
December 31, 2005

ASSETS	Timpanogos Special Service District	North Pointe Solid Waste Special Service District	North Fork Special Service District	Utah Valley Convention and Visitors Bureau	Wasatch Mental Health	Total
Current Assets						
Cash	\$4,637,108	\$2,086,957	\$218,834	\$94,538	\$6,621,371	\$13,658,808
Accounts Receivable	2,154,041	436,508	183,780		2,371,970	5,146,299
Taxes Receivable			76,115			76,115
Inventory	2,760			11,954		14,714
Other	28,449	33,155		105,500	1,655,215	1,822,319
Total	6,822,358	2,556,620	478,729	211,992	10,648,556	20,718,255
Capital Assets						
Land	2,017,807	1,309,668	95,583	0	1,250,000	4,673,058
Construction in Progress	324,728	0	0	0	0	324,728
Depreciable Assets - Net	42,075,916	3,592,877	1,374,715	56,485	4,824,506	51,924,499
Total	44,418,451	4,902,545	1,470,298	56,485	6,074,506	56,922,285
Other Assets	35,627,014		486,026	143,252	477,674	36,733,966
Total Assets	86,867,823	7,459,165	2,435,053	411,729	17,200,736	114,374,506
LIABILITIES & NET ASSETS						
Current Liabilities						
Accounts Payable	\$123,591	\$250,883	\$15,018	\$2,988	\$252,943	\$645,423
Accrued Interest	205,659		8,605			214,264
Deferred Revenue					822,395	822,395
Other Current Liabilities	154,497	94,846	7,349	12,839	3,618,779	3,888,310
Current Portion of Long-Term Deb	1,797,376	417,849	295,639			2,510,864
Total Current Liabilities	2,281,123	763,578	326,611	15,827	4,694,117	8,081,256
Long-Term Liabilities						
Mortgage or Leases Payable	106,009	2,679,231				2,785,240
Bonds Payable	34,345,275		240,573			34,585,848
Compensated Absences					916,495	916,495
Total Long-Term Liabilities	34,451,284	2,679,231	240,573	0	916,495	38,287,583
Total Liabilities	36,732,407	3,442,809	567,184	15,827	5,610,612	46,368,839
Net Assets						
Invested In Capital Assets - Net	8,307,772	1,805,465	934,086	0	6,074,506	17,121,829
Restricted For Debt Service	35,625,033		45,800			35,670,833
Unrestricted	6,202,611	2,210,591	887,983	395,902	5,515,618	15,212,705
Total Net Assets	\$50,135,416	\$4,016,056	\$1,867,869	\$395,902	\$11,590,124	\$68,005,367

UTAH COUNTY
Combining Statement of Revenues, Expenses and Changes in Net Assets
Discretely Presented Component Units
Year Ended December 31, 2005

	Timpanogos Special Service District	North Pointe Solid Waste Special Service District	North Fork Special Service District	Utah Valley Convention and Vistors Bureau	Wasatch Mental Health	Total
Operating Revenue						
Charges for Services	\$6,480,488	\$6,375,531	\$477,780	\$976,777	\$18,452,166	\$32,762,742
Operating Expense						
Cost of Services	1,891,158	1,089,574	187,532	359,897	12,795,448	16,323,609
General and Administrative	2,243,218	4,224,308	262,970	611,468	4,054,762	11,396,726
Depreciation	1,329,758	244,153	96,044	14,283	472,500	2,156,738
Total Operating Expense	5,464,134	5,558,035	546,546	985,648	17,322,710	29,877,073
Operating Income (Loss)	1,016,354	817,496	(68,766)	(8,871)	1,129,456	2,885,669
Nonoperating Revenue (Expenses)						
Interest Revenue	1,163,250	81,380	7,240	0	178,533	1,430,403
Interest Expense and Fiscal Charges	(2,306,571)	(164,958)	(15,556)	0		(2,487,085)
Other Revenue (Expense)	10,192,559	(826,662)	162,042	996	(796,025)	8,732,910
Total Nonoperating Revenue (Exp.)	9,049,238	(910,240)	153,726	996	(617,492)	7,676,228
Net Income (Loss)	10,065,592	(92,744)	84,960	(7,875)	511,964	10,561,897
Net Assets - Beginning	40,069,824	4,108,800	1,782,909	403,777	11,078,160	57,443,470
Net Assets - Ending	\$50,135,416	\$4,016,056	\$1,867,869	\$395,902	\$11,590,124	\$68,005,367

UTAH COUNTY
Combining Statement of Cash Flows
Discretely Presented Component Units
Year Ended December 31, 2005

	Timpanogos Special Service District	North Pointe Solid Waste Special Service District	North Fork Special Service District	Utah Valley Convention and Visitors Bureau	Wasatch Mental Health	Totals
Cash flows from operating activities:						
Cash Received From Customers	\$ 5,815,034	\$ 6,198,199	\$ 446,824	\$ 932,459	\$ 17,647,076	\$ 31,039,592
Payment for Salaries, Wages, Benefits	(1,780,074)	(1,103,760)	(187,426)	(359,897)	(12,795,448)	(16,226,605)
Payment for Supplies, Materials, Services	(1,916,480)	(3,916,327)	(638,177)	(709,173)	(4,397,728)	(11,577,885)
Net cash provided (used) by operating activities	2,118,480	1,178,112	(378,779)	(136,611)	453,900	3,235,102
Cash flows from noncapital financing activities:						
Property Taxes Collected	-	-	141,795	-	-	141,795
Cash flows from capital and related financing activities:						
Purchase of Capital Assets	(578,475)	(214,487)	(48,557)	(5,359)	(236,514)	(1,083,392)
Proceeds From Sale of Capital Assets	1,200	131,000	9,647	-	982	142,829
Proceeds From Issuance of Long Debt Debt	-	-	282,500	-	-	282,500
Interest Paid on Long Term Debt	(2,317,876)	(164,958)	-	-	-	(2,482,834)
Principal Paid on Long Term Debt	(1,594,000)	(394,091)	(98,166)	-	-	(2,086,257)
Impact Fees and Capital Facility Fees	10,191,359	-	(10,188)	-	-	10,181,171
Net cash provided (used) by capital and related	5,702,208	(642,536)	135,236	(5,359)	(235,532)	4,954,017
Cash flows from investing activities:						
Receipt of Note Receivable	-	-	-	-	10,178	10,178
Land Lease Receipts	-	101,966	-	-	-	101,966
Interest Received	1,163,250	81,380	7,240	11,676	192,024	1,455,570
Net cash provided (used) by investing activities	1,163,250	183,346	7,240	11,676	202,202	1,567,714
Net increase in cash and cash equivalents	8,983,938	718,922	(94,508)	(130,294)	420,570	9,898,628
Cash and Cash Equivalents - Beginning	31,278,203	1,367,735	359,539	224,832	6,200,801	39,431,110
Cash and Cash Equivalents - Ending	\$ 40,262,141	\$ 2,086,657	\$ 265,031	\$ 94,538	\$ 6,621,371	\$ 49,329,738
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 1,288,042	\$ 817,496	\$ (68,766)	\$ 3,801	\$ 1,129,456	\$ 3,170,029
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	1,329,758	244,153	96,044	8,083	472,500	2,150,538
(Increase) decrease in accounts receivable	(665,454)	36,114	(30,956)	-	(546,231)	(1,206,527)
(Increase) decrease in prepaid expenses	3,025	(1,070)	2,000	(128,836)	(1,521,623)	(1,646,504)
Increase (decrease) in accounts payable	52,025	66,333	793	(18,652)	(130,585)	(30,086)
Increase (decrease) in accrued liabilities	111,084	15,086	(377,894)	(1,007)	1,050,383	797,652
Increase (decrease) in retention payable	-	-	-	-	-	-
Increase (decrease) in accrued interest	-	-	-	-	-	-
Total adjustments	830,438	360,616	(310,013)	(140,412)	(675,556)	65,073
Net cash provided (used) by operating activities	\$ 2,118,480	\$ 1,178,112	\$ (378,779)	\$ (136,611)	\$ 453,900	\$ 3,235,102
Noncash investing, capital, and financing activities:	\$ 157,837	none	none	none	none	none

UTAH COUNTY
STATEMENT OF TAXES LEVIED, COLLECTED, AND TREASURER'S RELIEF
FOR THE YEAR ENDED DECEMBER 31, 2005

Taxing Units	Total Real Centrally Assessed Value	Total Personal Property Value	Less: Rent & Centrally Assessed RDA Value	Less: Personal Property RDA Value	RDA Adjusted Real Property Value	RDA Adjusted Personal Property Value	RDA Adjusted Taxable Value	Current YR Real Property Tax Rate	Prior YR Personal Property Tax Rate	Rent & Cent Ass'd Taxes Charged	Personal Property Taxes Charged	Total Taxes Charged
Alpine City	\$345,161,943	\$5,189,445			\$340,000,000	\$5,189,445	\$340,000,000	0.001091	0.001298	\$594,772	\$8,995	\$603,767
Alpine School	9,347,490,867	\$20,945,225			9,326,545,642	\$20,945,225	9,326,545,642	0.000882	0.000819	71,793,853	3,487,993	75,281,846
American Fork	949,980,083	62,768,378			907,211,705	62,768,378	907,211,705	0.000276	0.000188	2,028,572	109,148	2,137,720
Benjamin Cemetery	42,268,219	231,664			42,036,555	231,664	42,036,555	0.000188	0.000188	7,946	44	7,990
Cedar Fort Town	12,247,814	1,184,884			11,062,930	1,184,884	11,062,930	0.000559	0.000559	6,847	1,019	7,866
Cedar Hills	266,324,026	1,568,650			264,755,376	1,568,650	264,755,376	0.001690	0.001700	450,088	2,667	452,754
Central Utah Water	16,327,962,528	1,077,036,100			15,250,926,428	1,077,036,100	15,250,926,428	0.000400	0.000353	6,241,528	334,427	6,575,956
Draper	60,026,788	0			60,026,788	0	60,026,788	0.001469	0.001327	88,179	0	88,179
Eagle Mountain	330,481,525	1,844,130			328,637,395	1,844,130	328,637,395	0.001789	0.001861	591,231	3,432	594,663
Elkridge	76,266,884	1,330,006			74,936,878	1,330,006	74,936,878	0.002209	0.002209	168,474	2,938	171,412
Genola	37,059,158	339,054			36,720,104	339,054	36,720,104	0.001061	0.001071	39,320	363	39,683
Goshute	16,332,092	447,172			15,884,920	447,172	15,884,920	0.000770	0.000770	6,043	166	6,209
Highland	557,370,336	6,066,512			551,303,824	6,066,512	551,303,824	0.001459	0.001445	813,203	8,766	821,969
Jordan Valley Wtr	56,214,639	56,214,639			0	56,214,639	56,214,639	0.000400	0.000400	22,486	0	22,486
Lehi	1,259,096,626	97,315,368			1,161,781,258	97,315,368	1,161,781,258	0.000263	0.000263	3,052,918	106,343	3,159,261
Lehi Metro Water	97,315,368	97,315,368			0	97,315,368	97,315,368	0.000010	0.000010	12,611	432	13,043
London	564,375,795	65,103,847			509,271,948	65,103,847	509,271,948	0.001862	0.001837	918,183	100,807	1,018,990
Napoleon	290,163,158	3,407,555			286,755,603	3,407,555	286,755,603	0.000920	0.000920	32,335,497	2,353,022	34,688,519
Nebo	3,465,557,191	267,051,700			3,198,505,491	267,051,700	3,198,505,491	0.000946	0.000946	148,839	2,529	151,368
North Fork Fire & Water	150,646,465	2,673,489			147,972,976	2,673,489	147,972,976	0.000988	0.000988	149,161	4,820	153,980
North Utah Co. Water	4,712,222,793	207,837,472			4,504,385,321	207,837,472	4,504,385,321	0.000035	0.000035	5,767,398	368,943	6,136,340
Orem	3,117,116,869	220,643,327			2,896,473,542	220,643,327	2,896,473,542	0.000206	0.000206	149,161	8,814	158,000
Orem Metro Water	466,161,232	30,801,025			435,360,207	30,801,025	435,360,207	0.000043	0.000043	691,112	45,356	736,468
Pleasant Grove	861,259,939	27,865,818			833,394,121	27,865,818	833,394,121	0.002349	0.002349	1,974,154	67,183	2,041,337
Provo City	3,415,126,757	289,039,175			3,126,087,582	289,039,175	3,126,087,582	0.002873	0.002873	9,413,792	770,012	10,183,804
Provo School Dist.	3,414,914,470	289,039,175			3,125,875,295	289,039,175	3,125,875,295	0.006234	0.006234	20,306,438	1,701,104	22,007,542
Salem	167,854,615	7,768,498			160,086,117	7,768,498	160,086,117	0.001593	0.001593	267,392	12,391	279,783
Santaquin	153,314,537	3,782,950			149,531,587	3,782,950	149,531,587	0.001959	0.001959	300,343	7,418	307,762
Saratoga Springs	366,965,748	4,161,598			362,804,150	4,161,598	362,804,150	0.001358	0.001358	498,339	6,488	504,827
Service Area #6	987,411,731	31,393,935			956,017,796	31,393,935	956,017,796	0.001091	0.001091	1,077,266	33,843	1,111,109
Service Area #7	659,413,330	26,316,502			633,096,828	26,316,502	633,096,828	0.000604	0.000604	404,880	15,895	420,775
Service Area #8	659,413,330	26,316,502			633,096,828	26,316,502	633,096,828	0.000591	0.000591	389,713	15,290	405,003
Service Area #9	327,817,844	5,077,433			322,740,411	5,077,433	322,740,411	0.000195	0.000195	63,924	995	64,920
Soldier Summit	180,557	180,557			0	180,557	180,557	0.000186	0.000186	333	0	333
South Valley Sewer Dist	55,423,005				55,423,005		55,423,005	0.000473	0.000473	26,215	0	26,215
Spanish Fork	817,823,126	88,740,355			729,082,771	88,740,355	729,082,771	0.001333	0.001333	1,057,349	103,261	1,160,610
Springville	885,725,934	106,483,941			779,241,993	106,483,941	779,241,993	0.001846	0.001846	1,687,308	196,569	1,883,877
Traverse Ridge	56,214,639	56,214,639			0	56,214,639	56,214,639	0.000307	0.000307	178,819	0	178,819
State Assess. & Collect.	16,327,962,528	1,077,036,100			14,691,796,428	1,077,036,100	14,691,796,428	0.000178	0.000178	2,824,738	193,866	3,018,604
Local Assess. & Collect.	16,327,962,528	1,077,036,100			14,691,796,428	1,077,036,100	14,691,796,428	0.000178	0.000178	2,906,377	193,866	3,100,244
Utah County	16,327,962,528	1,077,036,100			14,691,796,428	1,077,036,100	14,691,796,428	0.000866	0.000866	13,512,909	831,805	14,344,714
Utah County Jail Bond	16,327,962,528	1,077,036,100			14,691,796,428	1,077,036,100	14,691,796,428	0.000174	0.000174	2,715,065	171,161	2,886,226
Vineyard	51,992,326	19,507,836			32,484,490	19,507,836	32,484,490	0.000236	0.000236	105,908	92,389	198,297
Woodland Hills	72,321,486	82,641			72,321,486	82,641	72,321,486	0.000718	0.000718	124,248	149	124,397
American Fork RDA								0.001801	0.001801	164,135	654,911	655,046
American Fork Eng Farm								0.010788	0.010788	490,776	164,135	654,911
Lehi RDA								0.010788	0.010788	142,391	37,910	180,301
Lehi RDA (Micron)								0.010108	0.010108	138,490	2,411	140,901
London Redevelopment								0.010108	0.010108	1,000,440	552,412	1,552,852
Orem RDA								0.010341	0.010341	736,893	852,011	1,588,904
Orem RDA (ADDL)								0.010558	0.010558	2,120,552	117,306	2,237,858
Payson RDA								0.003459	0.003459	289,031	16,471	305,501
Payson RDA Bus Park								0.010730	0.010730	152,252	9,747	161,999
Pleasant Gr RDA								0.010730	0.010730	12,349	153,667	166,016
Provo RDA								0.010861	0.010861	226,309	8,327	234,636
Provo RDA (ADDL)								0.009575	0.009575	948,273	153,758	1,102,032
Spanish Fork RDA								0.004271	0.004271	107,883	20,620	128,503
Spanish Fork Canyon								0.010488	0.010488	177,110	101,946	279,055
Grand Totals	\$175,391,765,014	\$8,125,604,457			\$167,266,160,557	\$8,125,604,457	\$167,266,160,557	0.010488	0.010488	\$191,489,007	\$12,698,184	\$204,187,191

* Penalties and interest are included in redemptions.

UTAH COUNTY
STATEMENT OF TAXES LEVIED, COLLECTED, AND TREASURER'S RELIEF
FOR THE YEAR ENDED DECEMBER 31, 2005

Taking Units	Treasurer's Relief		Current Year		Other Collections			Delinquent Collections *	
	Unpaid Taxes	Abatements	Total Relief	Year Taxes Collected	Current Year Collection Rate	Fee In Lieu	Misc. Collections	Tax	Interest/ Penalty
Alpine City	\$35,437	\$1,152	\$36,589	\$538,468	89.48%	\$74,496	\$7,242	\$46,792	\$1,030
Alpine School	4,113,157	349,463	4,462,620	69,096,482	91.78%	9,791,491	1,416,106	4,989,865	192,704
American Fork	107,963	14,418	122,381	1,981,991	92.72%	299,828	22,318	115,718	5,741
Benjamin Cemetery	396	97	493	7,327	91.70%	524	153	283	15
Cedar Fort Town	362	22	384	5,974	75.95%	1,839	205	1,421	76
Cedar Hills	25,238	1,931	27,169	406,918	89.88%	61,223	2,603	39,991	1,246
Central Utah Water	351,074	31,537	382,611	6,114,891	92.99%	849,921	119,230	391,955	18,550
Draper	11,789	314	12,103	72,700	82.45%	2,106	3,775	6,231	110
Eagle Mountain	41,313	724	42,037	527,288	88.67%	81,836	25,969	69,464	2,261
Elkridge	7,886	1,083	8,969	157,633	91.96%	21,497	2,426	9,616	328
Genola	1,937	147	2,084	36,391	91.70%	6,683	1,882	994	52
Goshen	275	101	376	5,591	90.05%	2,074	72	568	30
Highland	43,196	3,483	46,679	751,796	91.46%	119,650	22,252	46,125	1,222
Jordan Valley Wtr	2,996	86	3,082	18,546	82.48%	511	753	1,725	29
Lehi	184,849	9,782	194,631	2,962,265	93.76%	434,353	132,055	1,332,339	5,273
Lehi Metro Water	764	40	804	12,236	93.81%	1,794	543	517	23
London	59,816	2,203	62,019	944,223	92.66%	121,321	6,008	104,401	5,074
Mapleton	40,196	4,367	44,563	689,857	90.84%	108,801	10,948	47,923	1,416
Nebo	1,773,005	203,823	1,976,828	31,958,203	92.13%	4,723,644	931,681	2,036,067	87,637
North Fork Fire & Water	7,863	90	7,953	137,593	90.90%	855	551	11,481	343
North Utah Co. Water	8,853	693	9,546	140,695	91.37%	22,259	3,654	9,712	374
Orem	279,723	39,641	319,364	5,689,453	92.72%	859,129	56,873	353,517	16,484
Orem Metro Water	5,908	837	6,745	120,153	91.99%	18,146	1,201	8,160	386
Payson	36,446	6,827	43,273	687,865	93.40%	134,514	7,507	41,713	1,905
Pleasant Grove	98,578	13,949	112,527	1,866,118	91.42%	329,115	34,663	112,772	4,904
Provo City	509,111	38,902	548,013	9,358,757	92.95%	1,156,712	80,359	667,252	42,349
Provo School Dist.	1,078,450	82,406	1,160,856	20,503,408	93.17%	2,450,288	179,779	1,438,577	90,122
Salem	11,834	2,808	14,642	252,239	90.16%	52,799	11,973	11,678	507
Santaquin	23,434	1,895	25,329	275,343	89.53%	59,881	46,352	27,308	1,290
Stratoga Springs	36,128	1,074	37,202	32,219	83.91%	55,760	13,637	74,634	2,594
Service Area #6	63,211	2,527	65,738	423,621	91.61%	29,352	36,704	64,834	2,829
Service Area #7	27,724	1,398	29,122	380,162	90.35%	16,240	11,890	35,190	1,091
Service Area #8	26,686	1,345	28,031	365,922	90.35%	15,632	11,444	33,853	1,049
Service Area #9	2,480	8	2,488	61,168	94.22%	87	2,785	485	142
Soldier Summit	120	0	120	208	62.50%	15	42	97	134
South Valley Sewer Dist	3,426	101	3,527	21,673	82.67%	589	890	2,199	38
Spanish Fork	59,876	6,368	66,244	1,086,618	93.62%	196,995	22,203	58,550	2,311
Springville	89,976	11,041	101,017	1,725,512	91.59%	236,649	35,837	134,661	7,749
Traverse Ridge	23,824	681	24,505	147,485	82.48%	4,065	5,996	14,872	256
State Assess & Collect	151,840	13,640	165,480	2,729,418	90.42%	431,053	54,374	190,893	24,959
Local Assess & Collect	156,228	14,034	170,262	2,809,004	90.61%	443,512	55,974	195,748	25,582
Utah County	759,189	68,199	827,388	13,123,960	91.49%	1,731,264	337,871	950,373	570,728
Utah County Jail Bond	153,604	13,798	167,402	2,649,741	91.62%	350,115	52,837	192,364	115,295
Vineyard	7,708	31	7,739	146,238	73.75%	2,633	768	4,810	101
Woodland Hills	8,683	1,633	10,316	113,749	91.44%	13,481	4,588	6,278	265
American Fork RDA	14,679	332	15,011	631,291	96.39%			31,759	
American Fork Egg Farm	49,192		49,192	180,450	100.08%			10,045	
Lehi RDA				110,667	78.54%			22,702	126
Lehi RDA (Micron)				1,544,997	99.49%			129,630	107
London Redevelopment	40,418		40,418	758,855	89.07%			14,732	146
Orem RDA	313,122		313,122	2,006,576	89.67%			18,940	358
Orem RDA (ADDL)	0		0	273,709	89.59%			3,169	
Payson RDA	25,651		25,651	148,414	91.61%			18,216	
Payson RDA Bus Park	0		0	149,974	97.60%			56,019	
Pleasant Gr RDA	53,488		53,488	182,847	88.24%				
Provo RDA	114,888		114,888	972,392	92.87%				
Provo RDA (ADDL)	0		0	119,335	100.01%				
Spanish Fork RDA	12,624		12,624	278,376				4,640	
Spanish Fork Canyon	0		0	89,753					
Grand Totals	\$11,076,636	\$947,398	\$12,024,034	\$189,770,388		\$253,227,272	\$3,776,975	\$13,008,811	\$1,237,376

* Penalties and interest are included

REPORTS AND SCHEDULES REQUIRED BY:

**SINGLE AUDIT ACT
GOVERNMENT AUDITING STANDARDS
UTAH STATE LEGAL COMPLIANCE**

UTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

<u>Federal Grantor/Pass Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Thru Grantor's Number</u>	<u>Expenditures</u>
<u>Corporation for National Service</u>			
Foster Grandparent Program	94.011		\$ 267,803
Senior Companion Program	94.016		239,355
Total Corporation for National Service			<u>507,158</u>
<u>U.S. Department of Agriculture</u>			
Passed Through Utah State Dept. of Administrative Svc.			
Schools and Roads - Grants to States - Forest Reserve	10.665		26,600
Passed Through State Department of Health			
Special Supplemental Nutrition Program for Women, Infants, and Children-Client Services	10.557	05-1240	678,117
Special Supplemental Nutrition Program for Women, Infants, and Children-Client Services	10.557	06-0811	247,749
Special Supplemental Nutrition Program for Women, Infants, and Children-Breast Feeding	10.557	05-1240	54,419
Special Supplemental Nutrition Program for Women, Infants, and Children-Breast Feeding	10.557	06-0811	17,438
Special Supplemental Nutrition Program for Women, Infants, and Children-Nutrition	10.557	05-1240	164,694
Special Supplemental Nutrition Program for Women, Infants, and Children-Nutrition	10.557	06-0811	59,848
Special Supplemental Nutrition Program for Women, Infants, and Children-Food (Commodities)	10.557		6,268,851
Special Supplemental Nutrition Program for Women, Infants, and Children-Administration	10.557	05-1240	183,434
Special Supplemental Nutrition Program for Women, Infants, and Children-Administration	10.557	06-0811	18,581
Special Supplemental Nutrition Program for Women, Infants, and Children-Peer Counseling	10.557	05-1240	26,700
Special Supplemental Nutrition Program for Women, Infants, and Children - Peer Counseling	10.557	06-0811	11,666
Summer Food Service Program-Environmental	10.559	06-0238	3,796
Total U.S. Department of Agriculture			<u>7,761,893</u>
<u>U.S. Department of Transportation</u>			
Passed Through State Department of Public Safety			
State & Community Highway Safety (Car Seat)	20.602	OP04-04-03	1,271
State & Community Highway Safety (Car Seat)	20.602	OP05-04-03	7,261
State & Community Highway Safety	20.600	CP04-02-20	10,636
State & Community Highway Safety	20.602	CP06-02-09	1,459
Passed Through Utah Dept. of Transportation			
Highway Planning & Construction	20.205	00-8327	67,223
Total U.S. Department of Transportation			<u>87,850</u>

UTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

<u>Federal Grantor/Pass Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Thru Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
Substance Abuse and Mental Health Services	93.243		319,175
Passed Through State Dept. of Health			
Block Grants for Prevention & Treatment of			
Substance Abuse - Treatment	93.959	03-0038	272,197
Block Grants for Prevention & Treatment of			
Substance Abuse - Treatment	93.959	06-0601	1,385,056
Cooperative Agreements for State-Based Diabetes Control			
Programs & Evaluation of Surveillance Systems	93.988	06-0096	2,652
Cooperative Agreements for State-Based Diabetes Control			
Programs & Evaluation of Surveillance Systems	93.988	Apr-57	1,750
Cooperative Agreements for State-Based Diabetes Control			
Programs & Evaluation of Surveillance Systems	93.988	04-2057	2,625
Block Grants for Prevention & Treatment of			
Substance Abuse - Prevention	93.959	03-0038	175,661
Block Grants for Prevention & Treatment of			
Substance Abuse - Prevention	93.959	06-0601	219,071
Maternal and Child Health Services Block Grants to States	93.994	06-0096	27,960
Maternal and Child Health Services Block Grants to States	93.994	04-2254	21,791
Maternal and Child Health Services Block Grants to States	93.994	04-2253	22,831
Maternal and Child Health Services Block Grants to States	93.994	06-0816	42,857
Maternal and Child Health Services Block Grants to States	93.994	05-2449	89,916
Maternal and Child Health Services Block Grants to States	93.994	04-2057	12,275
Maternal and Child Health Services Block Grants to States	93.994	05-2449	60,300
Preventive Health & Health Services Block Grant	93.991	06-0096	11,066
Preventive Health & Health Services Block Grant	93.991	04-2057	2,106
Preventive Health & Health Services Block Grant	93.991	04-2057	20,000
Preventive Health & Health Services Block Grant	93.991	04-2057	6,730
Preventive Health & Health Services Block Grant	93.991	04-2057	5,498
Preventive Health & Health Services Block Grant	93.991	06-0096	33,047
Immunization Grants	93.268	05-2449	42,159
Immunization Grants	93.268	05-2449	3,500
Immunization Grants	93.268	04-2254	45,659
Immunization Grants - Vaccine (Commodities)	93.268		535,511
Medical Assistance Program	93.778	06-0488	33,550
Medical Assistance Program	93.778	06-0488	1,062
Preventive Health Services - Sexually Transmitted			
Diseases Control Grants	93.977	05-2469	1,000
Preventive Health Services - Sexually Transmitted Diseases			
Project Grants & Cooperative Agreements for			
Tuberculosis Control Programs	93.116	05-2469	11,050
Project Grants & Cooperative Agreements for			
Tuberculosis Control Programs	93.116	05-2469	6,700
HIV Prevention Activities - Health Department based	93.940	04-1820	8,500
HIV Prevention Activities - Health Department based	93.940	04-1820	3,304

UTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

Federal Grantor/Pass Through Grantor Program Title	Federal CFDA Number	Pass-Thru Grantor's Number	Expenditures
U.S. Dept. of Health and Human Services (Continued)			
Passed Through State Dept. of Health			
Block Grants for Prevention and Treatment of Substance Abuse - CIAO	93.959		27,186
Block Grants for Prevention and Treatment of Substance Abuse - CIAO	93.959		31,344
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Comprehensive Tobacco	93.283	04-2057	4,804
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Comprehensive Tobacco	93.283	06-0096	29,365
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Cancer Screen	93.283	06-0096	33,083
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Cancer Screen	93.283	04-2057	1,760
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Cancer	93.283	04-2057	21,406
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Cancer	93.283	06-0096	43,306
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Cancer Screen	93.283	04-2057	34,161
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Cancer Screen	93.283	06-0096	2,060
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Cancer Screen	93.283	04-2057	1,429
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Cancer Screen	93.283	06-0096	4,976
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Bioterrorism	93.283	05-1347	279,350
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Bioterrorism	93.283	05-1882	20,000
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Bioterrorism	93.283	04-1262	4,869
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Bioterrorism	93.283	06-0953	145,464
Passed Through Utah Assoc. of Local Health Departments			
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Bioterrorism/Health Alert	93.283		140,758
Passed Through Mountainland Assoc. of Governments			
Medical Assistance Program	93.778		2,742
Medical Assistance Program	93.778	04-2194	31,197
Medical Assistance Program	93.778	04-2194	1,417
Medical Assistance Program	93.778	04-2194	922

UTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

<u>Federal Grantor/Pass Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Thru Grantor's Number</u>	<u>Expenditures</u>
U.S. Dept. of Health and Human Services (Continued)			
Passed Through Mountainland Assoc. of Governments (Continued)			
Special Programs for the Aging - Title III, Part B Grants			
for Supportive Services & Senior Centers	93.044		5,000
Social Services Block Grant	93.667		564
Social Services Block Grant	93.667		4,236
Social Services Block grant	93.667		269
Social Services Block Grant	93.667		2,155
Consolidated Knowledge & Development	93.230	02-1354	306,324
Maternal and Child Health Federal Consolidated Programs	93.110	04-2254	1,436
Maternal and Child Health Federal Consolidated Programs	93.110	05-2449	1,000
Total US Dept. of Health & Human Services			<u>4,609,142</u>
U.S. Department of Justice			
Bullet Proof Vest Partnership Program	16.607		818
Byrne Memorial Justice Assistance Grant Program	16.738		59,417
Passed Through State Comm. on Criminal & Juv. Justice			
Crime Victim Assistance - VOCA	16.575	04-Voca-50	26,163
Crime Victim Assistance - VOCA	16.575	04-Voca-49	24,567
Crime Victim Assistance - VOCA	16.575	05-Voca-52	19,302
Crime Victim Assistance - VOCA	16.575	05-Voca-51	16,959
Crime Victim Assistance - Treatment	16.575	04-Voca-48	37,966
Crime Victim Assistance - Treatment	16.575	05-Voca-50	28,287
Crime Victim Assistance - Victim/Witness Coordinator	16.575	04-Voca-47	15,172
Crime Victim Assistance - Victim/Witness Coordinator	16.575	05-Voca-49	18,989
Byrne Formula Grant Program	16.579	3D89	30,695
Passed Through National Children's Alliance			
Missing Children's Assistance	16.543	Provo-071-PS05	10,000
Missing Children's Assistance	16.543	Provo UT-EQ05	4,999
Total U.S. Department of Justice			<u>293,334</u>
Environmental Protection Agency			
Passed Through Utah Dept. of Environmental Quality			
Capitalization Grants for Drinking Water State			
Revolving Funds	66.468	05-0570	90,695
Total Environmental Protection Agency			<u>90,695</u>
U.S. Department of Interior			
Bureau of Land Management Assistance	15.DAU		<u>14,179</u>

UTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

Federal Grantor/Pass Through Grantor Program Title	Federal CFDA Number	Pass-Thru Grantor's Number	Expenditures
<u>U.S. Department of Homeland Security</u>			
Assistance to Firefighters Grant	97.044		14,974
Passed Through State Department of Public Safety			
Emergency Management Performance Grants - FEMA	97.067	SLA-2005-DES-0025	58,000
Chemical Stockpile Emergency Preparedness Program	97.040	DES-CSEPP-2006-004	28,265
Chemical Stockpile Emergency Preparedness Program	97.040	DES-CSEPP-2004-004	239,592
Homeland Security Grant Program	97.067	DES-2005-SHSP-008	3,000
Homeland Security Grant Program	97.067	DES-2005-SHSP-028	36,873
State Domestic Preparedness Equipment Support Program	97.004	DES-2003-ODP2-02	150,435
State Domestic Preparedness Equipment Support Program	97.004	DES-2004-LETP-002	512,974
State Domestic Preparedness Equipment Support Program	97.004	DES-2004-SHSP-002	87,026
Total U.S. Department of Homeland Security			<u>1,131,139</u>
<u>Election Assistance Commission</u>			
Passed Through Utah State Office of Lieutenant Governor			
Help America Vote Act Requirements Payments - Voting Machines	90.401		<u>3,492,971</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 17,988,361</u></u>

UTAH COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is a summary of activities related to the County expenditure of Federal awards. The schedule has been prepared on the same basis of accounting as the financial statements. Most of the awards are reimbursement based. Therefore, as expenditures of federal funds are made, revenue is recognized.

NOTE B - IMMUNIZATION VACCINE

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Ending inventory is reflected in the financial statements as deferred revenue. Ending inventory at December 31, 2005 is \$85,044 for the vaccines.

NOTE C - ACCOUNTS RECEIVABLE

The financial statements include accounts receivable from federal programs. These receivables are recorded according to the same basis of accounting as the financial statements. The receivables reflect federal awards that have been expended by yearend and not yet reimbursed.

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**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Utah County
Provo, UT

June 13, 2006

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Utah County as of and for the year ended December 31, 2005, which collectively comprise Utah County's basic financial statements and have issued our report thereon dated June 13, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

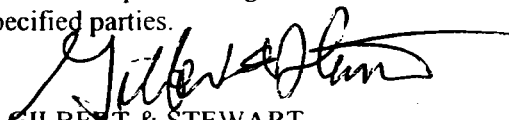
In planning and performing our audit, we considered Utah County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Utah County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters that we reported to management of Utah County in a separate letter dated June 13, 2006.

This report is intended solely for the information and use of the audit committee, management, County Commission, Utah State Auditor and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Utah County
Provo, UT

June 13, 2006

Compliance

We have audited the compliance of Utah County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended December 31, 2005. Utah County's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of Utah County's management. Our responsibility is to express an opinion on Utah County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Utah County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Utah County's compliance with those requirements.

In our opinion, Utah County complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended December 31, 2005.

Internal Control Over Compliance

The management of Utah County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered Utah County's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Utah County as of and for the year ended December 31, 2005 and have issued our report thereon dated June 13, 2006. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Utah County's basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information of the county commission, management, Utah State Auditor, and Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



GILBERT & STEWART
Certified Public Accountants

UTAH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2005

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Utah County.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Utah County were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for Utah County expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Utah County are reported in Part C of this schedule.
7. The programs tested as major programs included: WIC 10.557, Block Grant for Prevention and Treatment of Substance Abuse 93.959, Immunization Grants 93.268, and Cluster of Homeland Security Grant Programs 97.067 and 97.004, and Help America Vote Act 90.401.
8. The threshold for distinguishing Types A and B programs was \$539,651.
9. Utah County was determined to be a low-risk auditee under OMB Circular A-133 Standards.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR AWARD PROGRAMS

None

D. PRIOR YEAR FINDINGS AND QUESTIONED COSTS - MAJOR AWARD PROGRAMS

None

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**INDEPENDENT AUDITOR'S REPORT
ON LEGAL COMPLIANCE WITH APPLICABLE
UTAH STATE LAWS AND REGULATIONS**

Utah County
Provo, Utah

June 13, 2006

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the remaining aggregate fund information of Utah County as of and for the year ended December 31, 2005, and have issued our report thereon dated June 13, 2006. As part of our audit, we have audited Utah County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort, or earmarking; reporting special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah's Legal Compliance Audit Guide for the year ended December 31, 2005. The County received the following major State assistance programs from the State of Utah:

- B Road Funds (Department of Transportation)
- Substance Abuse (Department of Human Service)
- Liquor Law Enforcement (State Tax Commission)
- Minimum Performance (Department of Health)
- Children's Justice Center (State Attorney General)
- Drug Court (Department of Human Services)

The County also received the following nonmajor grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of the County's financial statements.)

- EMS (Department of Health)
- Medical Supervision (Department of Health)
- Indoor Clean Air (Department of Health)
- Tobacco-Prevention and Control (Department of Health)
- DHS High Risk Teen (Department of Human Service)
- Youth Correction (Department of Human Service)
- Livestock Predator Control (Department of Agriculture and Food)
- Historical Preservation
- WIC Tobacco Cessation (Department of Health)
- Asthma (Department of Health)
- State Treatment – Meth (Department of Health)

MAG Volunteer (HCBA RVP Waiver) (Mountainland's Association of Governments)
DHS Success by Six (Department of Human Services)
MAG Transportation (Mountainland's Association of Governments)
Search & Rescue (Department of Health)
State Youth Drug Court (Department of Human Services)

Our audit also included testwork on the County's compliance with those general compliance requirements identified in the Compliance Manual for Audits of Local Governments in Utah including:

Public Debt	Special Districts
Cash Management	Department of Commerce (Building Permits)
Purchasing Requirements	Statement of Taxes Charged, Collected, and Disbursed
Budgetary Compliance	Assessing and Collecting Property Taxes
Property Tax	Other General Compliance Requirements
Transient Room Tax	Impact Fees
Justice Courts Compliance	

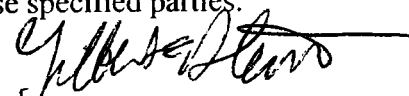
The management of Utah County is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

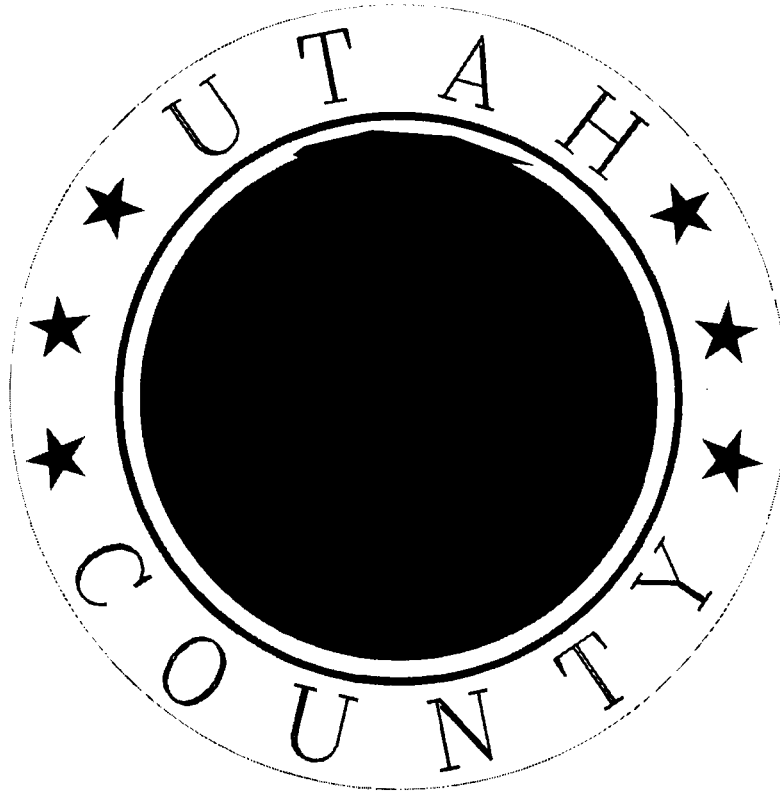
The results of our audit procedures disclosed no instances of noncompliance that are required to be reported.

In our opinion, Utah County complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2005.

This report is intended solely for the information of management and the Utah State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.


GILBERT & STEWART
Certified Public Accountants

UTAH COUNTY



MANAGEMENT LETTER

FISCAL YEAR ENDING DECEMBER 31, 2005

County Government

**Utah County Auditor's Office
100 East Center Street, Suite 3600
Provo, Utah 84606**

Independent Auditors

**Gilbert & Stewart
Certified Public Accountants
A Professional Corporation**

UTAH COUNTY
MANAGEMENT LETTER
DECEMBER 31, 2005

GILBERT & STEWART
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

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June 13, 2006

Utah County
Provo, UT

The primary purpose of our audit of the financial statements of Utah County for the year ended December 31, 2005, was to enable us to form an opinion as to the financial position of the County at that date and the results of its operations for the year then ended. Considering the test character of our audit, you will appreciate that reliance must be placed on adequate methods of internal control as your principal safeguard against fraud and theft which a test examination may not disclose. In this letter, we are presenting for your consideration, our comments and recommendations on matters which came to our attention during the course of our audit.

This letter does not include items noted as reportable conditions which are communicated in the internal control reports included with your general purpose financial statements. The letter also does not include findings and questioned costs associated with Federal programs. These findings and questioned costs are communicated in the Schedule of Findings and Questioned Costs included with the general purpose financial statements. Please refer to these reports and schedules and take appropriate actions if any.

State Compliance Findings – Prior Year

04-1. General Compliance – Building Code Standards

Finding: Utah Code, Section 58-56-9 (4) mandates that each compliance agency shall charge a 1% surcharge on all building permits issued and shall remit 80% of the surcharge collected to the Division of Occupational and Professional Licensing to be deposited into the General Fund as a dedicated credit to be utilized by the division to provide inspectors with the necessary training, education, and testing in order to meet the minimum qualifications to become licensed as building inspectors. The 1% surcharge should be charged on all inspection fees. However, it is not required on plan check fees or on impact fees.

Each county municipality is required to file a quarterly report on a form provided by the division indicating the total amount collected for building permits within their jurisdiction. The report further breaks down the computation to the .8%, which is to be paid to the division with the filing of the report. The report with the remittance is to be mailed to the Division of Occupational and Professional Licensing no later than 30 days following the end of each quarter.

All reports and fees were paid to the State; however, the third quarter report and payment were filed and sent late. This was an oversight in the agency and not a usual occurrence.

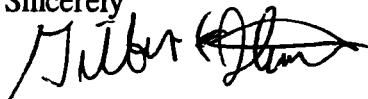
Recommendation: We recommend that the County file all reports and make appropriate payments in a timely manner.

County's Response: This instance was isolated and we have systems in place to help ensure that filings and payments will be made timely in the future.

Current Status: The County has corrected this finding and is in compliance.

We will be happy to discuss any of the above items or any other matters of concern. Please call us with any questions.

Sincerely

A handwritten signature in black ink, appearing to read "Gilbert & Stewart", with a stylized flourish at the end.

GILBERT & STEWART
Certified Public Accountants